



# THE INDEPENDENT

Wednesday 17 December 1997 45p (IR50p) No 3,484

## Women win protection from 'second rape' in the witness box

Rape victims who suffer the ordeal of cross-examination by their attackers are to be given new protection, Lord Irvine, the Lord Chancellor, has told 'The Independent'.

Donald Macintyre and Michael Streeter discuss his reaction to cases that disgusted the country, and which he describes as a continuation of rape in court.

The key to protecting rape victims in the witness box is likely to be a more active role for judges. They could take over

the questioning of the women themselves to prevent "excessive" cross-examination by their alleged attackers, Lord Irvine said yesterday.

He admits that the public is "enormously concerned" at recent cases in which accused rapists have subjected women to long and taunting questioning in the witness box. Alleged rapists who were representing themselves were being permitted, "as it seems to some members of the public to extend the rape by other means - the other means being cross-examination. It must be addressed urgently".

Earlier this month, a Crown Court judge called for a change in the law after he sentenced a rapist who "mercilessly" cross-

examined two victims for several days. Ministers have already announced a wide-ranging inter-departmental review to consider the issue. Now, Lord Irvine is promising brisk action.

Considering possible solutions, the Lord Chancellor highlighted the role of the trial judge. He said: "You could, for example, contemplate the judge intervening and taking over the cross-examination himself if his attempts to restrict excessive cross-examination by alleged rapists of their victims was simply not being obeyed."

"The judge is in control of his own court," said Lord Irvine. But taking over cross-examination would be an option "only after his reasonable ef-

forts to restrict cross-examination to what is relevant and necessary for a fair defence by the defendant has failed."

He warned though that there would be serious problems in taking away any rights of a rape defendant to defend himself because of obligations under the European Convention on Human Rights, which is shortly to be incorporated into British law.

"It is a difficult question. We have clearly decided in government we're not going to shoot from the hip."

At a recent case at Knightsbridge Crown Court in London, Judge Timothy Pontius jailed for 16 years a rapist who had "mercilessly" questioned his two victims in court. The judge

made it clear he was not punishing the rapist for the way he defended himself.

But he added it was "highly regrettable" that the law allowed an unrepresented defendant "virtually an unfettered right to personally question his victims in needlessly extended and agonising detail for the obvious purpose of intimidation and humiliation."

One of the victims had to give evidence twice about the intimate details of her ordeal after the first jury was discharged following a heated clash with the judge over his behaviour and attitude towards her. She later asked the judge: "Do I have to put up with this? I have never been so humiliated in my life."

In his interview, the Lord

Chancellor also hinted that the Government may consider setting up a "hardship" or "hard cases" fund as part of its legal reforms, in which ministers plan to remove legal aid for all civil actions involving damages claims. The legal profession, which claims the reforms will reduce access to justice for the poor, will see this as a welcome sign of compromise, but still insists the plans are being rushed through without proper consideration.

Too big for his boots? On page 19, Donald Macintyre speaks to Lord Irvine about a rumbustious and controversial few weeks for the man now described as "the second Cardinal Wolsey".

## Disgusted Desert Storm heroes to hand back medals

British veterans of Operation Desert Storm are to make the ultimate gesture of their sense of betrayal at government inaction over Gulf War syndrome. Next month, dozens will go to the Ministry of Defence to hand back the medals they won serving Queen and country.

They were intended as symbols of heroism. Silver medals, bearing the airman's eagle, the sailor's anchor and the soldier's SA80 rifle, were issued to those who returned home victorious from war in the desert. The sandy stripe on the ribbon was a reference to the difficult terrain in which the 51,000 holders of the new Gulf War medal had risked their lives.

**EXCLUSIVE**  
BY IAN BURRELL

But just as thousands of the returning troops have fallen ill or died since the war, so the medals themselves have lost their lustre: the badges of pride have become objects of loathing for many sick veterans.

Next month, in the most dramatic display of their anger since the end of the conflict, scores of veterans will converge on the Ministry of Defence in Whitehall to return their medals. The mass protest is believed to be unprecedented in the history of the armed forces and will underline the sense of abandonment felt by many of those who have become ill since serving in the war.

Their sense of isolation has been enhanced by their belief that the Government has abandoned Labour's pre-election promises that they would be fairly treat-

ed. Richie Turnbull, a Chester-based Royal Air Force veteran, said: "The MoD have betrayed us, taken away our health and in some cases people's lives. They may as well also have the pride we had in our medals because we can't use them to pay our medical bills... The ministers may have changed but the civil servants responsible for the lies and disinformation are still there."

Since the idea of returning the medals was first mooted among veterans three days ago, 67 former Gulf troops have pledged to take part. Dozens more are expected to join the protest which is scheduled to coincide with next month's seventh anniversary of the start of the air war in the Gulf.

Members of both the Gulf Veterans Association and the National Gulf Veterans and Families Association will be handing back medals. The families of at least two dead veterans are also participating in the protest.

The veterans are demanding a full and independent inquiry into Gulf War illness and the way the MoD has handled the issue. They believe that an inquiry would improve their rights to war pensions and benefits and strengthen their legal claims for compensation. They say that 140 veterans have died since returning from the Gulf and up to 6,000 are now sick. Some 1,900 have registered for treatment with the official Medical Assessment Programme.

Sean Rusling, who was a paramedic with the 4th battalion, the Parachute Regiment, felt an overwhelming sense of achievement when he first received his medal. "I was very, very proud... There are people walking about today because I was able to give paramedical assistance to them." Mr Rusling, of Hull, is now sick, and feels the Government has failed him. "Such is my distress and sadness at the way the veterans have been treated that if it takes this gesture to make them sit up and think then we will throw the medals back at them."

Tony Flint, of London, who served as a medic with 205 General Hospital, said: "When I see my medal now I just feel anger because of the way we have been treated."



Lost pride: Veteran Richie Turnbull with the medals he intends to return Photograph: David Rose

### INSIDE TODAY

**Give that woman undies (and get it right)**

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**... and give that woman a cigar**

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**Treat yourself to a Damien Hirst ashtray for £120**

THE EYE



**Front Page News: The play's a hit**

THE EYE



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The Eye, page 9  
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**Just what you need for a Christmas break: Mediterranean sunshine.**

There you are, feeling anything but Christmassy. Rain lashing down. Wind howling. Snow forecast. Then a friend hands you a glass of wine that shimmers in the firelight like sun on the water at St Tropez. James Herrick Chardonnay may not sound Mediterranean but as you raise the glass there's a rush of citrus and spice like the Mistral in your face. Then follows a flavour-tour of the South of France - wild thyme, vanilla, cloves, gooseberry, lemon, lime - till you can feel the warmth on your back and the blue Mediterranean between your toes. Stay awhile. Have another glass.

James Herrick

CHARDONNAY

1996

THE PICK OF THE SOUTH OF FRANCE

James Herrick CHARDONNAY

THE PICK OF THE SOUTH OF FRANCE

AVAILABLE COUNTRY WINE FROM SUPERMARKETS, SPECIALIST CHAINS AND MAJOR INDEPENDENT WINE MERCHANTS

### TODAY'S NEWS

#### Election fraud charge

A warrant for the arrest of Mohammed Sarwar, Labour MP for Govan, has been issued on charges of election fraud. The charges relate to the alleged late registration of voters, attempts to pervert the course of justice and contraventions of the Representation of the People Act in connection with election expenses. Mr Sarwar is due to appear at Glasgow Sheriff Court today. Page 3

#### Sheffield wins sports HQ

Sheffield was named yesterday as the headquarters of the new United Kingdom Sports Institute. Up to £60m of Lottery money will be made available for the Sheffield project, which it is hoped will help Britain produce a new generation of world and Olympic champions across a wide range of sports. The plan involves Sheffield's two universities, two hospital trusts and the city council. Pages 26 and 28

#### Jail for IRA plotters

Three IRA men were jailed for a total of 62 years at the Old Bailey for plotting to launch a devastating lorry bomb attack in London. Patrick Kelly, Brian McHugh and James Murphy were convicted of conspiring to cause explosions between January and September last year. Security forces believed if successful, the planned assault would have matched last year's attack which destroyed Manchester city centre. The gang had access to many tons of explosives and was using a secure storage unit in north London as a bomb factory. Page 6

#### Williams team cleared

An Italian court yesterday cleared Frank Williams and five other defendants of the manslaughter of Ayrton Senna, the former world motor racing champion. The charges had been brought following Senna's death in a crash during the 1994

San Marino Grand Prix at Imola. The prosecution had argued that the accident followed modifications to the steering column in the Brazilian's Williams car. Motor racing officials, who had feared for the future of the sport in Italy if guilty verdicts had been returned, welcomed the judgment. Page 28

#### Mandela on the attack

Nelson Mandela yesterday addressed his African National Congress for the last time as its president. But the speech was not so much a farewell as a line drawn under the rainbow nation rhetoric that has endeared him to South Africans of all races and to the world outside.

He did not talk of racial harmony but instead mounted a concerted attack on white privilege. He also insisted that the "white-owned" media had been undermining the ANC revolution for too long, and it was time it transformed itself. Page 7



# 2/BRIEFING

## COLUMN ONE

### A nation gripped as the First Dog gets a name

The president of the richest and most powerful nation in the world scheduled an end-of-political-term press conference yesterday to expatiate on such weighty matters as the expansion of Nato, the Asian financial crisis, the stand-off with Iraq, the scandals in his own Democratic Party, and the state of the planet in general. But, tape-recorders aloft, lenses trained, cellphones at the ready, there was only one thing we really wanted to know - we reporters, that is, and upwards of 150 million Americans - the name of THAT DOG.

For the past 10 days, ever since the unconfirmed report that First Cat Socks was no longer to have sole prowling rights at the White House, the American public has been transfixed and the media at action stations. After all, it is not every day that the leader of the free world switches from a one-cat policy to a twin-track pet policy.

Nor is the chosen beast just any dog. It is, note, not a common or garden labrador, but a "labrador-retriever cross". And it is certainly not, as you or I might say, brown, but "chocolate-coloured".

What is more, you had only to see the First Photo to realise that the President, never one to wear his heart elsewhere than on his sleeve, was besotted. He looked at it and held it meltingly, just the way he occasionally looks at Hillary, always looks at Chelsea, and might look (dare one say) at a cherished girlfriend, or a teddy bear. As the White House spokesman said of the first meeting: "Bonding occurred."

Since then, the chase has been on to find The Name. Every newspaper, television channel and Internet website worth its audience solicited contributions - but they hardly had to. The names were rolling in already: from Shoes and Sax (to pair with Socks), to Hershey, Nestlé and other chocolate derivatives, to Reno (after the attorney general criticised for appearing over-loyal to her boss). Less kindly souls offered Impoocho. Scandal or - in reference to the Republican Speaker of the House of Representatives and Mr Clinton's one-time political sparring partner - Newt.

Television talkshows opened with dog quips. Television presenters not known for their soft touch offered bome videos of their furry friends and reports from the front-line of Walkies to tutor the President in his new responsibilities. Thoroughly outflanked, the White House capitulated and invited suggestions from the nation. (You would have to be a political innocent to snuff at the 54 million votes represented by America's dog-owners, and Bill Clinton is hardly that.)

Still, though, the White House was in denial. As recently as Monday, the official spokesman insisted - *O tempora, o mores!* - that the President's new dog was not - repeat not - a media ploy: "He just wanted a dog". Pressed for the name, two White House spokesmen barked in chorus - "strictly not for attribution".

Still the drama was not over. Dangling White House reporters on the end of the First Lead, Mr Clinton told them (after trying to divert their attention by announcing a senior appointment that could sour his relations with Congress for months) that a name had been chosen at a family conference on Sunday. But no - well aware of how difficult it might be to attract a decent audience to an announcement about Nato in the last shopping week before Christmas - he would not announce it until Tuesday's press conference.

And the name? The presidential dog is called "Buddy", a friendly all-American name that also happened to belong to the President's recently deceased uncle, who bred and trained dogs for more than 50 years. Inevitably, the topic for last night's talkshows was what the great American public thought of the name. That's democracy for you.

— Mary Dejevsky, Washington

## PEOPLE



Michael Parkinson: "The talk show is like a successful dinner party"

Photograph: BBC

### No gimmicks as plain-speaking Parky returns

He has never said so directly, but Michael Parkinson has always believed he was the "best bloody interviewer in the world" and next month he returns to the small screen in his long-awaited comeback series.

It has been 15 years since the silver-haired Yorkshireman hosted a chatshow, but the original format remains unchanged. He has promised a return to proper conversation with none of the gimmicks and endless plugs that have characterised similar shows in recent years.

"I have always believed the talk show is like a successful dinner party, where the viewer pulls up a chair and looks over my right shoulder at someone they always wanted to meet," he said.

Among the guests waiting to be grilled when the show returns on 9 January are Sir Anthony Hopkins, Barry Manilow and the comedian Paul Merton, whom Parkinson has said he rates as the funniest man alive. Elton John has also agreed to appear, as have Liam Neeson and Ewan McGregor.

The BBC approached Parkinson, 62, more than a year ago, after a succession of high-profile talk shows on all channels received a lukewarm reception. Parky

regularly attracted 12 million viewers to his programme between 1971 and 1982.

"They always say so-and-so is going to be the next Parkinson, but how can they be when they don't understand what I understand about the talk show?"

"For me the secret is being a good listener and I'm looking forward to the new series immensely." Parkinson, who started his career with the *Barnesley Chronicle*, said there was no difference between a reporter and an interviewer.

"It's the same job really. A talkshow host is a reporter. His job is to elicit answers and information from a guest. The only difference is the talk show host has to do it while tap dancing," he said.

His routine before a show will also remain unchanged. No alcohol the day before and always writing the name of his guest on a clipboard - just in case his mind goes blank. "I even wrote down Bing Crosby's name. It was a superstition ever since I couldn't remember John Wayne's name during a broadcast. I just kept thinking Duke. I knew it wasn't Duke Ellington but I couldn't think which Duke it was."

— Kate Watson-Smyth

## UPDATE

### POLICING

#### Not so tough on the causes of illness

Chief constables must take urgent action to reduce sickness absence in the police, which is the equivalent of 6,600 officers off every day in England and Wales, Jack Straw, the Home Secretary, said yesterday. The number of officers retiring on medical grounds - some of whom leave to avoid disciplinary action and to gain a larger pension, must also be cut, although the numbers are already declining.

As part of a package of measures to help dissuade frustrated officers from faking illness, police who want to leave should be offered careers advice and job placements, according to a report by Her Majesty's Inspectorate of Constabulary. The HMIC study, *Lost Time*, found that in the year to April 1997, more than 1.5 million working days were lost because of sick leave, at a cost of £210m a year.

The average number of sick days taken off each year by police officers and civilian staff is 12.5, compared to 8.4 days in a CBI survey, and 10.7 days for civil servants.

Mr Straw also said there could be no justification for some forces, such as Merseyside, attributing 77 per cent of their retirements to ill health, while the rate at other forces, such as Kent, was only 16 per cent.

"The report argues decisively that good management can have a dramatic effect on reducing these levels of sickness and medical retirement," he said.

— Jason Bennett, Crime Correspondent



### ENVIRONMENT

#### Water bills 'should be higher'

Nearly seven out of 10 consumers are willing to pay higher water bills to guarantee environmental improvements and adequate supplies, a study claims today. They are willing, on average, to stump up an extra £3.11 a month, according to the survey by NOP for the Environment Agency. Ninety-five per cent would rather see cash spent on "green" projects than have lower bills.

The study of 2,500 bill-payers in England and Wales was carried out as part of the agency's contribution to the forthcoming review of water company prices. It showed that 86 per cent of customers regard the quality of water in rivers and seas as very important and that 96 per cent want to see money spent on ensuring a reliable water supply.

### TRAVEL

#### Dreaming of a sunny Christmas

More than one in three Britons would love to go abroad for Christmas but fewer than one in six have ever done so, says a survey published today.

As many as 49 per cent of 18 to 24-year-olds would prefer a foreign Christmas, according to the survey from Barclays Travel Shop Direct.

Londoners are most likely to travel abroad during the festive season and Scots the least likely. Most of those who fancy foreign climes at Christmas do so to get away from the British weather.

The survey found that 37 per cent of people overall would like to go away for Christmas, but only 16 per cent had ever been on holiday during the festive season.

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### Soviet spy George Blake can't profit from book royalties

Soviet spy George Blake has been thwarted in his attempt to gain £90,000 in royalties from his book about his years with the Secret Intelligence Service.

Three Court of Appeal judges, headed by Lord Woolf, the Master of the Rolls, granted the Attorney General, John Morris, an injunction which bars publishers Jonathan Cape from sending any more money to Blake, who escaped from Wormwood Scrubs and fled to Moscow in 1966.

Yesterday's ruling overturns a judgment delivered in the High Court last April, when the Vice Chancellor, Sir Richard Scott, said that lifelong fidelity to spies and other security service members represented "an interference with rights of free expression". Sir Richard also said that the Attorney General could do nothing, because Blake was disclosing information which was no longer secret.

But the appeal judges said that Blake should not profit from his misdeeds. They thought it shocking that Blake, who received £50,000 from his publishers even before putting pen to paper, should get rich on his notorious reputation.

Blake's book, *No Other Choice*, details a life of espionage very different from the James Bond stereotype. Having worked as a double agent for the former Soviet Union between 1951 and 1960, Blake was rumoured and sentenced to 42 years imprisonment in Britain. In 1966 he made a daring escape and fled via Berlin to Moscow, where he still lives.

Blake, now 74, was held responsible for the deaths of several British agents.

— Katherine Griffiths

### College chief's apology to MPs

Roger Ward, head of the college employers' organisation, was forced to offer a fulsome apology to MPs yesterday after admitting that he misled a Commons committee.

Mr Ward's future as chief executive of the Association of Colleges was already in doubt. The association recently ordered an independent inquiry into allegations in the *Times Education Supplement* that he handed over a mailing list of colleges to a private health firm from which he received payments.

Last night he told the Commons education sub-committee that he had been wrong when he told its members that there was a register of interests for senior AOC staff and that they would be able to see it.

In fact, although the AOC's predecessor organisation, the Colleges Employers' Forum, had a code of conduct for its board members the AOC did not move to set up its own code until last month.

### TOURIST RATES

Australia (dollars)	2.42	Italy (lira)	2,765
Austria (schillings)	19.74	Japan (yen)	210.99
Belgium (francs)	58.08	Malta (lira)	0.62
Canada (\$)	2.26	Netherlands (guilders)	3.16
Cyprus (pounds)	0.82	Norway (kroner)	11.59
Denmark (kroner)	10.77	Portugal (escudos)	285.44
France (francs)	9.40	Spain (pesetas)	237.06
Germany (marks)	2.81	Sweden (kroner)	12.37
Greece (drachme)	446.7	Switzerland (francs)	2.28
Hong Kong (\$)	12.26	Turkey (lira)	316,100
Ireland (punts)	1.08	USA (\$)	1.59

Source: Thomas Cook  
Rates for indication purposes only

### ZITS

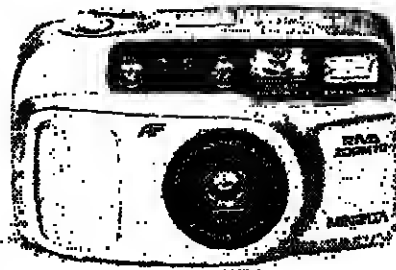
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by Chris Priestley

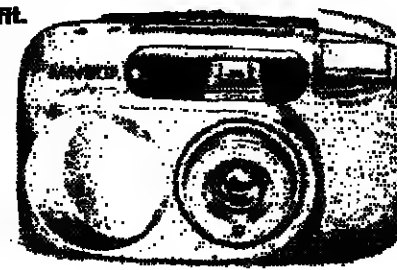


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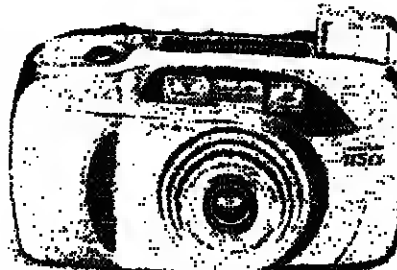
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# 3/LEADING STORIES

THE INDEPENDENT  
WEDNESDAY 17 DECEMBER 1997  
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## Labour MP charged with electoral fraud

A Labour MP will appear in court in Glasgow today charged with electoral fraud, it was confirmed last night. The action against Mohammed Sarwar, MP for Glasgow Govan, is bound to cause embarrassment to the Government. *From Abrams, Political Correspondent, looks at the latest twist in a saga which has run for seven months.*

A warrant for the arrest of Mr Sarwar, a millionaire businessman, was issued last night by the Crown Office in Edinburgh. He will appear voluntarily at the Sheriff's court today on charges relating to the alleged late registration of voters, attempting to pervert the course of justice and contravention of the Representation of the People Act in connection with election expenses.

Since the allegations were first made against him, just after his election in May, Mr Sarwar's case has been the subject of an internal Labour Party inquiry. Mr Sarwar's constituency party in Glasgow Govan was suspended for three months, and his case was referred to Sir Gordon Downey, the Parliamentary Commissioner for Standards.

The police inquiry has been going on since May, and Mr Sarwar was interviewed earlier this month in connection with the investigation. A newspaper alleged that Mr Sarwar had paid £5,000 to an election rival, Badar Islam, to "ease off" his campaign. The Strathclyde Fraud Squad added the bribery claim to an ongoing investigation into late applications to the Govan electoral roll and allegations of malpractice by Mr Sarwar's supporters. Mr Sarwar has said the money he paid to Mr Islam was a loan, made to a fellow member of the Asian community who was in distress, and has described the claims made against him as "baseless, false and ludicrous".

Mr Sarwar, who made his money through a cash-and-carry business, became Britain's first Muslim MP when he was elected on 1 May. The Labour Party would not relish the prospect of the by-election which it would have to fight if the MP is forced to give up his seat. And conviction would lead to him being barred from sitting as an MP.

### IN TOMORROW'S INDEPENDENT



**Zöe Ball:**  
How I survived convent EDUCATION+

**The street of stars (well, Phil Cornwell and John Sessions)**  
THE EYE

**Vanity, plastic surgery and the office party**  
THE EYE

## We don't like the French – but love their food, fashion and creativity

We have no idea who their Prime Minister is and we certainly do not want to live in Paris. But Louise Jury discovers that the traditional British enmity to the French is not what it was.

The paradox of Anglo-French relations is laid bare in a survey carried out exclusively for *The Independent* and for *Le Monde* newspaper in France.

Despite centuries of antagonism between the "frogs" and the "rosbifs", half the French actually like Britain. They, too, have no desire to swap countries – even more French said they did not want to live in London than British people in Paris. But they like us for our afternoon tea, our pubs and the monarchy.

We admire their fashion and fine cooking, according to the survey conducted by Harris. In fact, more than a third of us actually like France, although a fifth registered dislike.

"I do think that the Channel Tunnel and increasing travel have softened attitudes on both sides," said Gillian Shephard, the former education secretary and a committed francophile.

There are pockets of ignorance. More than 80 per cent of French respondents had a good opinion of Tony Blair and only 11 per cent had no opinion of him or had never heard of him. But in Britain, 82 per cent of people questioned said they had never heard of the French prime minister, Lionel Jospin, or had no opinion of the man.

Yet we have clear attitudes about the French people in general. We like them for their culture most of all, and their creativity and hospitality, although we do not rate their sense of humour and we consider them arrogant and cold.

They like our customs, our economic prosperity and our history, including our parliamentary democracy and the way we fought Nazi Germany and helped them during the Second World War. Unfortunately, no one thought to ask them what they thought of the British character.

Raymond Gubbay, the concert promoter who lives part of the year in his apartment



Borrowed culture: British flock to *Les Misérables* and to hypermarkets, while enjoying café life, Chanel perfume and the sporting chic of Eric Cantona

### VIEWS ACROSS THE CHANNEL

What French think is best of British	%	What British find makes France famous	%
Traditions: teatime, monarchy, pubs	46	French skills: cooking, fashion, scents	70
Economic prosperity	32	Culture: literature, painting, films	47
History: Birth of democracy, Empire	31	History: French Revolution, The Resistance	36
Culture: fashion, music, art, film	27	Technology: high speed trains	16
Good taste/refinement	19	Political power: economy, nuclear power	8
Technology: telecoms, aircraft	10	None of the above	5
None of the above	3	Don't know	9
Don't know	3		

on Paris's Left Bank, said he was not surprised the French were warmer towards us than the other way round.

"We're so insular over here. They're so much more international and European in their approach. There's no real customs control over there and when you come into Waterloo it's like Fort Knox. It seems to epitomise the Little Englander approach," he said.

By contrast, the French were buzzing with excitement about us, reported Labour MP Denis MacShane, who used to live in France and wrote a biography of Minerva.

"There is a fascination with what the new government is doing and what makes the Prime Minister tick," he said. "They particularly admire the fact that Blair speaks French and they haven't heard that from a British prime minister for half a century."

The British are prepared to learn. More than half of those questioned thought it would be possible to follow the French example and cut the number of working hours to 35 a week.

● In Britain, the Harris Research Centre interviewed a representative sample of 934 adults between 5 and 7 December. In France, SOFRES interviewed a representative sample of 1,000 adults on 28 and 29 November.

## Stature and gravitas in crowded Court 60

Tuesday, 16 December  
London

**Ram:** After a hearty breakfast of muesli and yogurt, I gird my loins for the second day of my High Court action against the London Evening Standard. Max Hastings, the editor of that appalling comic, will live to regret the day that he decided to run a weekly spoof of my celebrated *Diaries* under the byline of that snivelling so-called journalist, Peter Bradshaw. As a literary figure of the highest repute, I cannot countenance the risk that readers may be duped into believing me to be the author of this low-grade trash. On the way into court, I take a call on the mobile from my old friend, Jonathan Aitken. "Just to remind you, Al," he bawls down the line, "that all you need to cut out the cancer of bent and twisted journalism is the simple sword of truth and the trusty shield of fair play." Much good it ever did him. 10.53am: Court starts, and I have to sit and watch someone called Patricia Powers, who claims to be a reader of the *Evening Standard* and one of my constituents. A tape is played of a letter that she dictated over



### Alan Clark's Secret Court Diary

...as imagined by the *Evening Standard's* Peter Bradshaw who is, in turn, parodied by our own Kathy Marks

the telephone to the *Standard*, in which she said that "my" columns had confirmed her suspicion that I really am "a nasty piece of work". Mrs Powers tells the court that she does not want me as her MP because of my failure to uphold family values. She would pre-date for someone, she says, with 2.4 children and a dog. Does she not realise that I am the proud owner of three pure-bred Rotweillers, Lenti, Eva and Hannah? 11.20am: My colleague Angela Browning sweeps in, looking radiant. Her check jacket, of a type favoured by our dear departed Leader, only serves to enhance her womanly curves. I

struggle manfully to keep my composure. The fragrant Angela giggles most charmingly as she admits that she has never heard of Ruud Gullit. I detect a definite frisson when our eyes meet across the courtroom. I know that beneath that matronly exterior beats a passionate heart. 12.40pm: My hour is nigh, and Court 60 grows more crowded by the minute. Half a dozen lovely young women are draped against the back wall. News of my impending appearance must have spread far and wide. Finally, my name is called and I stride confidently to the witness box. But no sooner have I taken the oath in ringing tones

than the case is adjourned for lunch.

2.05pm: I take the stand once again and assume an air of lofty gravitas. Geoffrey Hobbs, my QC, outlines my stature as a historian, to the accompaniment of some inexplicable sniggering at the back of the room. The odious Peter Prescott, counsel for the *Standard*, tells me that the only reason I have brought this case is because Bradshaw's columns are an insult to my "colossal vanity". I parry his questions with baughty disdain. There are gratifying gales of laughter from the public gallery. Prescott suggests that I am an arrogant man. I smile at him plyingly. Arrogant, moi? 3pm: Hastings, who lumbered in late, has now dozed off at the back of the court. The man is quite beyond belief. Prescott asks me if I am obsessed with my personal appearance. Wouldn't he be, if he had my physique at the age of 69? It's not my fault if women insist on throwing themselves at my feet. 4.30pm: Having reduced Prescott to mincemeat, I leave the box. Tomorrow, with a bit of luck, the case will finish, leaving me free to return to more agreeable pursuits.

## ARMANI



GIORGIO ARMANI







## Smokers go on TV to tell us why they are dying

It took three heart attacks at the age of 31 to persuade Sylvester Khokhar to stop smoking. Now he is to tell a nationwide television audience how his world fell apart. Jeremy Laurance, Health Editor, reports on a new style of anti-smoking campaign.

"No one wants me any more. I have got my whole life in front of me and employers don't want to know me. When I go for a job interview they say fine but when they look at my medical record they say 'no thank you'."

After 18 months without work since his illness struck, Sylvester Khokhar's future is bleak. The heart attacks that nearly took his life have taken his livelihood and his hopes. Married with three children he is now dependent on his wife, Gloria, 34.

Mr Khokhar, a former factory worker, has given up smoking, changed his diet and started walking instead of using the car. But it is too late to save his career. "I have learnt my lesson in a very hard way. I don't want to see others get hurt in the way I did. I'm lucky to be alive - I had three heart attacks in three days. I tell my three kids if they smoke they may pay with their lives."

Mr Khokhar's bitter experience is featured in a new £2.5m television advertising campaign to run for three months from Boxing Day.

Designed to shock, it shows real life stories of smokers who have suffered serious illness as a result of their habit. Tracey, 36, has lung cancer which has spread to her brain and glands. David, 50, has emphysema, the lung condition that restricts breathing.

Research published by the Health Education Authority, which commissioned the advertisements, shows that almost two out of three school pupils who smoke regularly

think they are no more likely to get lung cancer compared with others of their own age.

Mr Khokhar said: "When you are young you don't think far. Young people are sitting ducks for cigarette advertisers and drug pushers. I want to wake them up and bring them to their senses. I hope anyone who sees these ads will think twice before taking a puff."

A survey by the Office for National Statistics published yesterday shows that young teenagers think many more adults and children smoke than actually do. More than a quarter thought that all or most people of their own age smoked although the actual proportion is one in eight.

Non-smokers are under social pressure to smoke. The survey found more than a third had been offered a cigarette in the last six months. Smokers tend to keep their habit secret. Six out of ten thought their parents did not know they smoked.

A spokeswoman for the Health Education Authority said: "The people in our new television ads are graphic examples of the pain and suffering caused by smoking. They are still young and they face serious illness and possibly death because they smoked."

The Government was caused further embarrassment over its decision to exempt Formula One motor racing for 10 years from its proposed ban on tobacco sponsorship after findings from the Office for National Statistics survey showed it was the sport most firmly linked in young people's minds with smoking.

More than one in three teenagers connected cigarette sponsorship with motor racing compared with one in four who linked it with snooker, one in six with cricket and one in seven with rugby. However, more than one in four also connected it with football, which does not employ tobacco sponsorship. Almost all young teenagers said they had seen cigarette advertising in the last six months, most on billboards and in magazines.



Sylvester Khokhar: 'I have learnt my lesson in a very hard way ... I tell my kids if they smoke they may pay with their lives'

Photograph: Tom Pilston

## WHY FATHERS' CIGARETTES MAY BE CAUSING CHILDHOOD CANCER

One in seven childhood cancers may be due to the father smoking cigarettes before the baby is conceived. New research links 14 per cent of cancers among children aged under 16, including leukaemia and bone cancers, to paternal smoking and suggests that smoking by the mother is not responsible.

According to a report in the *British Journal of Cancer*

sperm may be damaged by the father smoking, resulting in genetic mutations being passed on.

The team that carried out the research looked at the smoking habits of the parents of 2,587 children who died of cancer and compared them to a similar size control group.

"Maternal daily consumption of cigarettes and paternal use of pipes or cigars were unim-

portant, but there was a statistically significant trend between paternal consumption of cigarettes and the risk of childhood cancer. About 14 per cent of childhood cancers in this series could be attributable to paternal smoking," says the report.

It adds: "The smoking of cigarettes by mothers can, with some confidence, be excluded as an important risk

factor for the generality of childhood cancer."

It is the toxic elements of the inhaled cigarette smoke which are suspected of causing the damage. "Cigarette smoke contains a high concentration of oxidants ... If unchecked, oxidants can cause considerable damage to DNA and these reactive mutagens have been shown to be involved in a variety of physio-

logical processes, including cancer."

At what stage the sperm may be damaged is not known. The complete spermatogenesis process takes 74 days and at any time during that period it could be mutated, but earlier smoking might also be implicated.

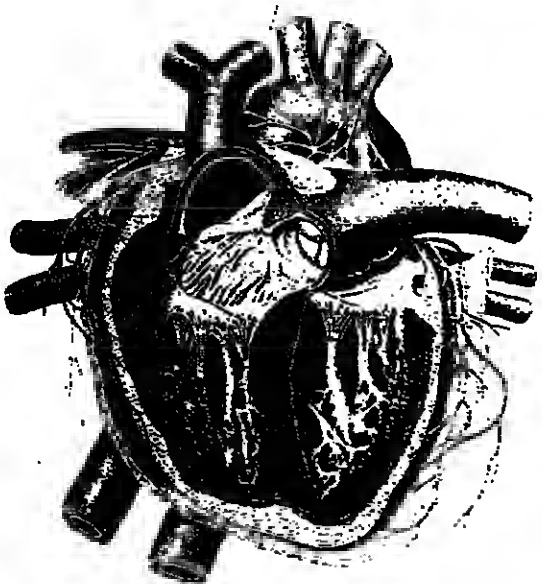
One of the authors, Dr Tom Sorahan of the Institute of Occupational Health at

Birmingham University said yesterday: "The theory based on the latest research is that the DNA is damaged by the smoke. We know that smoking can cause cancer in many parts of the body and the toxic chemicals in the smoke are circulating throughout the body. Latest work shows that it is getting to the sperm and damaging it."

— Roger Dobson

## Doubts over value of bypass surgery could transform coronary care

Coronary bypass surgery — the commonest operation for heart disease — does not extend life, according to a study. Jeremy Laurance asks whether the surgical success story of the 1970s and 1980s is set to decline.



Heart bypass surgery costs the NHS about £275m a year

Long-term results of coronary bypass surgery are "disappointing" and the operation may have been overused, an expert in heart problems said yesterday.

Dr John Irving, consultant cardiologist at St John's Hospital in Livingston, West Lothian, said patients and relatives tended to believe that the operation would prolong life when it was unlikely to do so. Patients treated with drugs alone survived longer although severe symptoms, such as angina (chest pain), were better treated with surgery.

A study of 102 of Dr Irving's patients who were operated on in the mid-1980s by eight dif-

ferent surgeons and followed for 10 years, published in the journal *Heart*, found a third had died, half of them aged between 40 and 59. Among those who survived, 40 per cent either had angina recur or underwent another operation.

Dr Irving said: "I do think

the operation has been overused. It is also expensive at £11,000 a time and patients still need drugs.

"Medical treatment may be as effective and costs only an extra £500 on drugs. That is a big saving."

The operation which was

pioneered in the 1970s, involves stripping out the tiny arteries that supply blood to the heart muscle when they have become clogged with fatty deposits as a result of heart disease, and replacing them with veins taken from the leg or chest wall.

It is effective at relieving symptoms of chest pain but the new veins tend to clog up and collapse like the old ones over time. Around 25,000 operations a year are carried out at a cost of £275m.

The number of bypass operations has started to fall as worries about cost have grown, and there has been greater use of angioplasty, an alternative technique in which the coronary arteries are widened using a balloon attached to a catheter introduced via a vein in the groin.

The British Heart Foundation said the symptoms of heart disease could be debilitating and bypass surgery was effective at alleviating them. New drug treatments developed in the last 10 years meant doctors were now more selective about choosing patients for surgery. "Longevity may not be the only factor," the spokesman said.

## NHS accused of letting patients suffer

The president of the Royal College of Anaesthetists yesterday accused health authorities and NHS trusts of failing to take patients' suffering seriously.

Leo Strumlin, professor of anaesthetics at the Royal London Hospital, said managers were failing to provide the funds and the leadership necessary to ensure that proper pain relief was available in hospitals.

"What is required is a commitment to do it and the wherewithal to do it. Pain goes away — that is the problem. Many health authorities and trusts do not see it as a quality issue," he said.

Professor Strumlin was responding to an Audit Commission report, published today, which says that the amount of pain suffered by patients depends on the hospital in which they are treated.

The report, *Anaesthesia under Examination*, which was leaked on Monday to *The Independent*, says hospitals with acute pain control teams — specially trained staff who assess and treat patients' pain — have been shown to reduce suffering but only 57 per cent of hospitals have them.

Professor Strumlin said: "Some NHS trusts don't think there is any value in these teams. They seem to think it is not a problem if things are done the way they have always been done."

The Patients' Association yesterday launched a campaign to put patients in control of their pain relief.

Claire Rayner, its chairman, said: "The British stiff upper lip really does exist in terms of our tendency to suffer in silence when in pain."

"Our campaign will focus on ensuring

that both patients and health professionals have access to up-to-date information on pain management."

The Audit Commission report also found that despite a 41 per cent growth in the number of consultant anaesthetists over the past 10 years, demand still outstrips supply. Half of trusts reported a shortage of consultants with an average of 13 per cent of posts vacant.

One in five trusts had been unable to compensate for these shortages — making it more difficult to schedule operations, offer epidurals to mothers in labour or staff pain clinics.

The report says the health service should consider training nurse anaesthetists to work alongside consultants to ease the workload.

— Jeremy Laurance, Health Editor

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# 6/IRA BOMB PLOT

## The London schoolboy who turned Republican terrorist



From left: Diarmuid O'Neill (top), who was shot dead by police; Brian McHugh, leader of the IRA unit; the arms cache; a police forensic officer follows the trail of blood left after O'Neill's shooting; the other two gang members Patrick Kelly (top right) and James Murphy

Three members of an IRA bombing unit were jailed for a total of 62 years following the biggest security surveillance operation on mainland Britain. They may now be questioned by officials investigating the shooting of another member of the gang. Michael Smeed, Legal Affairs Correspondent, looks at the London-born middle-class terrorist who was killed.

Diarmuid O'Neill, had an unusual profile for an IRA terrorist. He went to the London Oratory school - better known now as the school where Tony Blair's son Euan is a pupil - where he was remembered as a cheerful, well-behaved and outgoing.

However, he became fascinated by Irish Republicanism as a teenager, selling newspapers in bars and he was said to have idolised the IRA activist Bobby Sands, who died while on hunger strike in May 1981.

Soon after leaving school London-born O'Neill, whose parents later moved back to Ireland, was serving nine months in a young offenders' institution for his part in a £75,000 cash fraud from a Bank of Ireland branch in Shepherd's Bush, west London, where he worked.

O'Neill, who was 27 when he was shot by police in a hotel in Hammersmith, west London, was by that time a committed Republican and some of the cash was siphoned to the IRA. On his release from jail he became a "sleeper" waiting to be activated by his IRA bosses.

His private life was involved in nationalist politics as well. O'Neill's girlfriend was Karmele Ereno, a sympathiser of the Basque separatist movement from Amorebieta, near Bilbao.

After his death, his Spanish friends paid tribute to "Ginger" as he was known in a Basque language newspaper sympathetic to the separatist movement ETA, promising: "We will never forget you."

The Police Complaints Authority will now ask his fellow terrorists if they want to assist its investigation into O'Neill's shooting on 23 September 1996. A file will then be sent to the Crown Prosecution Service and the coroner, pending an inquest.

Yesterday, after more than 20 hours of deliberation, an old

Bailey jury decided that the IRA active service unit, which included O'Neill, who was the group's quarter-master, had been plotting a major bomb attack on the capital. A fourth defendant was cleared.

The leader of the unit, Brian McHugh, claimed the team had been trying to preserve peace rather than destroy it.

He had been sent to London to decommission the weapons cache - which contained 63 tonnes of home-made explosives - as the Republican movement moved towards peace and wanted to join "historic" settlement talks in Northern Ireland, he said.

Sentencing the three men, the judge, Mr Justice Smedley, described this claim as "sheer hypocrisy".

Senior Scotland Yard officers later heralded an "intelligence triumph", involving 50,000 hours of surveillance, which they say prevented a "devastating" attack.

Listening bugs were planted in the suspects' cars and rooms, their electronic pagers and telephone calls - even from public telephone boxes - were monitored, and film from mobile video recorders and surveillance cameras in train stations was taken.

Commander John Griev, head of the Anti-Terrorist Branch, who co-ordinated the evidence gathering after the arrests, said the scale of Operation Triton, involving the Metropolitan Police and MI5, who handled the audio surveillance, was the largest and longest of its kind on the mainland.

"It thwarted a major attack on London," said Mr Griev, who added that the terrorists had enough material to plant four bombs similar in size to the one which devastated the centre of Manchester last year.

Mr Griev said officers "regretted" O'Neill's death, but said he had been part of an active unit intent on causing destruction. The firearms unit deployed, including the man known only as "Kilo" who fired the bullets, had been briefed on the amount of explosives and guns the IRA unit possessed.

Those convicted yesterday were Patrick Kelly, 31, who was jailed for 20 years; McHugh, 31, who was given 25 years and James Murphy, 26, who was sentenced to 17 years. All had denied charges of conspiring to cause explosions between 1 January and 24 September last year, and of possessing explosives.

Michael Phillips, 22, a mechanical aircraft engineer with British Airways at Gatwick airport was cleared of the charges.

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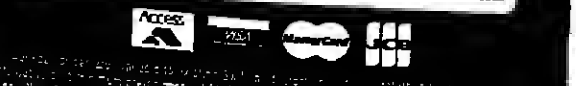
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# Mandela attacks white privilege and free press

Nelson Mandela's last speech to the ANC as its president marked a sharp contrast with the rainbow nation rhetoric that has won over the world. Our correspondent watched a defining political moment at the party's 50th national conference in Mafikeng, as the powerful influence of his chosen successor became apparent.

What was surprising was the harsh tone which accompanied the change - with an uncompromising stream of attacks on whites, "white parties" and the "white-owned media" - and the fact that the warm and cuddly President Mandela, not Thabo Mbeki, his much-vilified successor, used his last speech as party leader to lead the seething, and for him unprecedented, assault.

Could this be the same man that took tea with Betsy Verwoerd, ageing widow of the architect of apartheid - a reconciliation too far in the eyes of some party members? Coming from President Mandela the change in tone could not have been more stark. At first it was Mr Mandela's lips that were moving, Mr Mbeki, sitting a few feet away, was, ventriloquist-style, doing the talking.

At every turn, according to President Mandela, the ANC was being thwarted by those "committed to the maintenance of white privilege". The proceedings of the Truth and Reconciliation Commission, the body charged with exposing the atrocities of the apartheid years, showed "the unwillingness of white society in general, including white politicians, business, the judiciary, the media and the church, to explain its involvement in the maintenance and perpetuation of the apartheid system".

That betrayed white society's



Old guard, young pretender: Nelson Mandela, right, conferring with his deputy, Thabo Mbeki, at the beginning of the ANC's 50th general conference in Mafikeng yesterday. Mr Mandela is to give up his presidency of the ANC in favour of Mr Mbeki.

Photograph: AP

speech came from a frustrated presidential heart. Three years on, the president was dismayed at white indifference in redressing past injustices. "He has been saying these things for months in private," said the commentator.

But the president was surely trying also to satisfy disillusioned elements in the party. In its 85-year history, the ANC has probably never been more divided. Three years after taking power it has yet to transform itself from broad-church revolutionary movement to political party.

Winnie Madikizela-Mandela, the president's former wife, shared the platform with him and the ANC executive yesterday. Almost seated in the wings, she could not have been placed further from her ex-husband.

Mrs Mandela, accused during TRC hearings of involvement in eight murders, is expected to seek nomination this week, despite the ANC leadership's best efforts, for the ANC deputy presidency. Her attacks on a leadership - considered far from radical by the grassroots - have struck a chord in some quarters.

After Mr Mandela's speech his former wife joined the queue of well-wishers to offer congratulations. Nelson and Winnie smiled broadly as they embraced briefly but warmly amid crowds of supporters who sang and danced around them.

hostility to the new democratic South Africa, he argued. Mr Mandela has spent a large part of his presidency wooing truculent right-wing Afrikaners to the new political dispensation. But yesterday he had harsh words for them too. "They [Afrikaners] continue to be imprisoned by notions of white supremacy and of supposed Afrikaner interests that are separate and opposed to the interests of the rest of the population."

Faced with deep divisions within the ANC, the president sought to blame everything from crime to the slow pace of

social change on white resistance. He labelled the opposition National Party and Democratic Party "reactionaries", dedicated to preserving white privilege. But he reserved his most scathing comments for the white-owned media - a source of irritation to the president from time to time but Mr Mbeki's enduring pet hate.

The media, he insisted, were deliberately trying to undermine the ANC revolution. "During the last three years it has become perfectly clear that the bulk of the mass media in our country has set itself up as a force opposed to the ANC."

He seemed irritated by the press's desire for a real opposition to the ANC to emerge. He said the media, like white parties, were wrong in portraying South Africa as a mature democracy. "We are still involved in the delicate process of nursing the new-born baby into a state of adulthood," he said. Some might have remembered, with a shudder, the early years of independence in Zimbabwe, South Africa's northern neighbour. Robert Mugabe, then in-

ternationally popular, described the foundations of democracy as luxuries a new country could not afford.

The onslaught on the press resurrected the spectre of a future "independent" regulatory body for the media which might pronounce on everything from

what is newsworthy to what constitutes public interest. Close associates of Mr Mbeki have been floating that kite for months. Last week, Mr Mbeki again raised the idea of gov-

ernment information bulletins being broadcast on national television.

None of these suggestions has been embraced by the media. Mr Mandela said yesterday that in order to protect privileges which found their roots in the apartheid era, the media denounced "all efforts to ensure its own transformation ... as an attack on press freedom".

The attacks on the press and on whites were loudly applauded by the thousands of ANC delegates who travelled to Mafikeng in the North-west province yesterday for the first day of a five-day conference.

BY MARY BRAID

## Mbeki the bogeyman emerges from behind the throne to take the reins

Thabo Mbeki this week takes over from President Nelson Mandela as leader of the ANC, the penultimate step in his almost certain ascent to the presidency of South Africa. Mary Braid asks whether a living saint is making way for a Machiavelli par excellence.

The respected *Mail and Guardian* newspaper summed it up rather well. We are about to be ruled by a man we do not know, it observed in a scene-setting piece for this week's hand-over of power at the African National Congress's 50th national conference.

As President Nelson Mandela, 79, passes the ANC leadership to his deputy Thabo Mbeki, 55, just 16 months before the next general election, the country's post-apartheid history enters a new era.

The transition from Madiba (the family name by which President Mandela is affectionately known) to Mbeki was always going to be a delicate stage in an already precarious process. Filling the warm, saint-

ly and charismatic Madiba's shoes is an unenviable task. It is not helped when the public feels it is trading a fleshed out, lovable demi-god for a mysterious matchstick man.

The diminutive Mr Mbeki, always beautifully turned out but oh so dull to listen to, is already the bogeyman of the white liberal dinner party. The rumours about him are legion, and often malicious. It is said that he has risen to the top of the ANC since its unbanning in 1991, by plotting the downfall of all political rivals and opponents. Add to that, the man who was once criticised as being too cosy with whites is now hailed as their future persecutor.

The facts - sparse as they are - are these. Mr Mbeki is a member of the Struggle aristocracy. His father, Govan, an early ANC leader, was imprisoned with President Mandela on Robben Island. The ANC sent Thabo Mbeki to Britain where he took a masters degree in economics at Sussex University. He later went to the Soviet Union for military training. During 28 years in exile he pressed the ANC's case all over the world. He is credited with masterminding the international sanctions campaign against

apartheid South Africa, and he gained diplomatic experience, connections and an urbane, sophisticated, intellectual image.

Beyond this, much is conjecture. After the ANC's unbanning, the exile group rose at the expense of those who battled for freedom at home. Mr Mbeki is blamed for the recent departure from politics of popular "home" leader, Cyril Ramaphosa, who led the ANC in the negotiations which ended white minority rule. Some also claim that he plotted the fall of popular party figures Tokyo Sexwale and Terror Lekota.

The time for President Mandela's inspired acts of reconciliation is over. The ANC, he argues, must now meet its promises to the millions of blacks still languishing at the bottom of the social heap. That puts the wind up those still sitting pretty at the top.

What should worry people most is Mr Mbeki's hostility towards the press. It is doubtful that he really accepts the importance of a free press in a democracy.

If Mr Mbeki's politics are largely unknown, his private life is a complete mystery. He married Zanele in 1974. They have no children, but a son from a previous relationship disappeared in the Eighties.



An artist's view of Boers at war Photograph: Hulton Getty

## Boer war siege that gripped the nation

The history of the town was so dramatic, in British eyes, that its name even entered the English language - if in somewhat distorted form. "Mafeking, v.t." is officially defined in the dictionaries as "to rejoice with hysterical boisterousness".

Mafeking was the name the English colonists gave to Mafikeng - literally "place of stones", a town in the dusty, sparsely populated northern Cape. Now, it is the capital of the Northwest Province of South Africa. But at the time of the Boer War, Mafeking was a small town divided into an African town of about 7,500 residents and a "white" settlement of about 1,350.

Mafeking had been used as the base for the Jameson Raid - an unsuccessful raid by the British colonists against the

Dutch-speaking Boer republic of Transvaal. Although the raid failed it was part of the build-up to the Boer War which was fought between Britain and the Transvaal and the Orange Free State between 1899 and 1902.

The total British military strength reached half a million, whereas the Boers could muster less than 90,000. But the British were fighting in hostile territory over difficult terrain. The Boers besieged Mafeking, Ladysmith and Kimberley during "Black Week", in December 1899. But with the landing of more British troops the fortunes of the war turned. The British relieved the besieged towns. There were street parties in London at the news of the relief of Mafeking on 17 May 1900, after 217 days under siege.

Flora Bell

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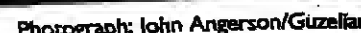
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LEACH

are invited to modify their behaviour." Col



"All ranks are reminded that there is no

The 18-year-old added: "The sooner I get the test done, the better. I've left it too late anyway. But I don't care. I'm still going to get it done." She insisted she "had not been with many soldiers" but said that when she received the results of the test, she would like to "get it photocopied and sent round everywhere".

More than 10,000 soldiers and civilians are based at Catterick. The garrison has 5,500 military personnel, but at the moment only one regiment is stationed at the base. Four regiments are on service in Bosnia and two in Northern Ireland.

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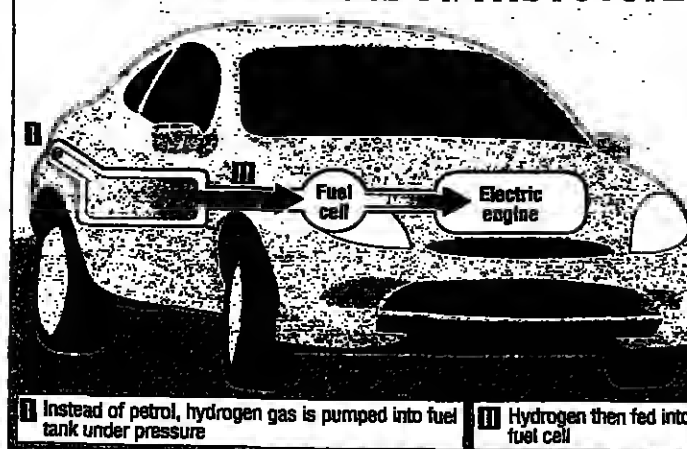
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Although women with no qualifications looked for information just as much as the educated women, they were less successful at finding it and were unaware of the right questions to ask. Ms Rubin said this was an area GPs need to address.



## Hydrogen power could spell end for the petrol engine

### CAR DRIVEN BY FUEL OF THE FUTURE



**FUEL CELL**

- 1 Platinum plated electrodes
- 2 Hydrogen gas "ionised" and passed through cell
- 3 Some energy needed to "drive" reaction
- 4 Electric current produced to run engine

Car-makers believe the end of the age of the petrol engine is in sight. Randeep Ramesh, Transport Correspondent, examines the chances of hydrogen becoming the fuel of the future

There seems to be little to be gained for Britain's most popular car-maker to be predicting the demise of its most cherished product - the petrol engine. But in committing nearly £250m to developing hydrogen-fuelled

cars, it is exactly what Ford's chairman is saying.

"We view fuel cells one of the most important technologies for the early 21st century," said Sir Alex Trotman, Ford and Daimler Benz - owners of Mercedes - signed a deal earlier this week to pour millions of pounds into a programme to develop a car which runs on the electricity generated by a reaction between hydrogen and oxygen.

The only by-products, claim its developers, from this "fuel cell" are water and tiny amounts of carbon dioxide. The expertise is being developed by Canadian company Ballard Power Systems - which

despite making many major breakthroughs has yet to make a profit in a decade.

Motor manufacturers have no real choice in taking this road. With oil supplies running out, action to stop global warming as well as politicians mooting taxes to unclog city streets and stem urban pollution, car makers are being pushed to come up with novel solutions.

Sir Alex has been to see Tony Blair, the Prime Minister, to try and convince him that there is no need to tax the motorist out of the driving seat. At the opening of a new £128m environmental research plant at Dunton, Sir Alex said he was

"seriously worried" when John Prescott, the Deputy Prime Minister and the minister in charge of transport, had called for the end of the two-car family.

The Ford chairman said he saw nothing conflicting in Ford's claim to be both green and pro-car. Sir Alex went on: "I don't think it's productive to demonise the car. People are not going to get out of their cars. We have to make these cars as customer and environmentally friendly as we can and in a way that does not damage the economy."

It is clear Sir Alex would prefer that Mr Blair follows the US

approach. President Clinton's Partnership for a New Generation of Vehicles has seen big car manufacturers fund "blue skies" engine technologies. The partnership influenced California's Air Resources Board to relax plans that would force manufacturers to sell electric vehicles last year.

But the science is some way off reaching the consumer. Mercedes claims some success: it has a running prototype of a fuel cell powered A-class urban car and hopes to produce a four-seat version by 2005. To date, the project has cost Mercedes and Ballard nearly £200m each.

## Government steps up campaign to cull badgers

About 10,000 badgers will be slaughtered over the next five years in the Government's latest effort to stop them spreading tuberculosis among cattle. But, says Nicholas Schoon, Environment Correspondent, experts believe developing a vaccine offers the best hope of ending the scourge.

The Ministry of Agriculture, Fisheries and Food intends to embark on a huge new experiment in culling badgers, to see how effective eradication is in stopping the spread of cattle tuberculosis.

In one-third of the worst-affected areas of Britain, every badger will be trapped and killed, including mothers giving milk to their cubs. Under the current, discredited, slaughter policy, lactating sows are spared. In another third of these "hot spot" areas, the badgers will be left alone - even if TB cases in cattle are rising. And in the final third, badgers will only be killed on a farm after cattle there contract TB.

The experiment will cover at least 30 squares, each measuring about 10km by 10km - or some 40 square miles. They will cover most of the farms that have had the worst problems with cattle TB. Elsewhere, the policy of slaughtering badgers

to control the disease will stop for the five-year experiment.

Farming minister Jeff Rooker said the Government accepted these recommendations from an expert, independent panel yesterday, although there would be two months of consultation before they were implemented.

"Next to BSE [bovine spongiform encephalopathy], this is the most serious issue we have to deal with," he said. The panel and the Government want to find ways of making farmers contribute more towards ending cattle TB. "They already pay now through the failure of current policy," Mr Rooker said.

Exactly how badgers pass the disease to cattle is not known, and other species can also harbour bovine tuberculosis. But, said ecologist Professor John Krebs, chairman of the expert panel, "the badger is a significant reservoir - you'd have to be perverse not to accept that".

The MAFF began gassing sets of badgers, a protected species, in 1975 in the worst affected areas but this was suspended seven years later because of an outcry over the cruelty involved. Current policy is to kill badgers on a farm where there is a TB outbreak in cattle if there is good reason to believe that the infection came from badgers. They are lured into cages with bait, then killed instantly with a pistol shot.

But the incidence of cattle TB keeps on rising - which is why the previous government commissioned an inquiry by Professor Krebs' panel. While only one in



Night watch: The MAFF is to extend the killing of badgers beyond farms with TB outbreaks Photograph: Planet Earth

every 250 British cattle herds has an outbreak each year, in the West Country, the West Midlands, and South Wales the disease is much more common. Within these regions there are local hot spots where outbreaks are even more frequent.

Diseased cows have to be

slaughtered, while animals cannot be bought for or sold from an affected herd. About 400 herds are covered by restriction orders at any one time. The ministry spends £16m a year on research, killing badgers, compensating farmers and trying to control the disease.

The Krebs committee said that over the past 20 years, the ministry has never conducted proper experiments to find out how culling can actually work. The trial it advocates would not kill any more badgers over the next five years than the current policy. Professor Krebs said,

That was many fewer than are killed on the road each year. As for Government, it should boost its spending on research well above the current £1.7m a year. A cattle vaccine needs to be developed, but that is likely to take more than 10 years and will be difficult.

## World suffers the worst year ever for forest fires

A leading conservation group claims that this year has seen the most destructive forest fires in recorded history. Nicholas Schoon explains the claim from the World Wide Fund for Nature.

"1997 will be remembered as the year the world caught fire," said Jean-Paul Jeanrenaud, head of the World Wide Fund for Nature (WWF) International's forest programme.

In Indonesia and Brazil alone, more than 5 million hectares of species-rich woodland habitat have been consumed by fire - an area about as large as Switzerland, says a report from the organisation. But there have been serious fires on every continent apart from Antarctica, with the latest striking the east coast of Australia at the beginning of this month.

Many of these fires are started deliberately, and often illegally, to clear land for agriculture and plantations. In some countries they have become massive and uncontrollable because of drought attributed to this year's El Nino, a global weather event which occurs every few years and this time appears extreme.

The fires have caused air pollution levels much higher and more dangerous than those for which traffic, industry and power stations are responsible. They are also adding significantly to the emissions of global-warm-

ing carbon dioxide gas which come from burning fossil fuels.

"We are creating a vicious cycle of destruction, where increased fires are both a result of changes in weather and a contributory factor to these changes," said Mr Jeanrenaud.

WWF says the fires in Indonesia may have set light to thick peat deposits which could smoulder underground for years and start new surface fires during the next dry season.

Hundreds of infant orang-utans in Indonesia have been found in the hands of villagers, available for the pet trade. It is believed their mothers fled from the burning forests with their babies and were then killed by local people. Meanwhile, the government has reinstated 45 or the 146 timber exploitation permits it revoked in the wake of the catastrophic forest fires this year.

The WWF report says that in the Amazon jungles of Brazil there has been a 50 per cent increase in the number of fires in this year's burning season, which begins in August, compared with that of 1996.

The Brazilian government says the great bulk of these fires are taking place on cleared land or in secondary forest which had already been burnt. But WWF does not accept that the high increase is not destroying more virgin forest areas.

Other countries cited in the report as having had severe forest fires are Papua New Guinea, Colombia, Kenya, Tanzania and Rwanda.

Christmas Day

25

December

"Thanks ever so much for the jumper..."

Boxing Day

26

December

"No, really, I do like it, honest..."

New Year's Day

1

January

"So you're sure I don't need a receipt?"

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## Parents wage war against 'cyberbooze'

The national Christmas tree is lit, the strains of 'Jingle Bells' are in the air and the season of good cheer is well under way. Just the time, then, for America's sobriety lobby to warn about the dire combination of youth, computers and drink. Mary Dejevsky reports from Washington on the gathering campaign against 'cyberbooze' and what lies behind it.

Middle America may be very clear about what it is for: God, America and apple pie. But it is equally clear about what it is against, and high on that list is alcohol, especially when drunk by minors.

The very thought that thousands of teenagers may be logging on to their computers and ordering alcohol over the Internet - let alone taking delivery of the stuff and drinking it,

is almost as terrifying to their parents and the public at large as the possibility that they might be exposed to Internet pornography along the way. To some, it is worse.

To combat this threat from "cyberbooze", a new alliance has sprung on to the already crowded lobbying scene. Americans for Responsible Alcohol Access (ARAA), is headed by the attorney-general of New York state, Dennis Vacco. He recently mounted a "sting" which netted a dozen or more firms for allegedly dispatching drink to juveniles.

The group lambasts "Internet hotheads" who, it says, are bypassing state laws by selling wine and beer to all comers, without checking their age. The companies, however, ask how rigorous they can reasonably be.

Ordering wine or beer on the Internet in the United States is no more complicated than ordering a book or a plane ticket. A dozen or more easily accessible websites with names like Beer Across America, Virtual Vineyards, Wines from the West, tout their wares alongside



Summer daze: Lobbyists in the US have stepped up their campaign against drinking among under-age teenagers, who can now order their beer via the Internet

Photograph: American Gruffiti

sites advertising gourmet foods, chocolates and flowers.

Some companies require on-screen registration before processing the order; others provide an age box to tick. Most say they check the identity of the recipient when the goods are delivered - but watchful neighbours say delivery firms just leave the boxes on doorsteps. In practice, if a juvenile has his own (or a parent's)

credit card number and ticks the age box, there is little to stop him ordering, and receiving, whatever takes his fancy.

But this seemingly simple - if undesirable - state of affairs, where 12 year-olds can order crates of beer by computer, conceals several layers of special interests. Internet vendors contend that very few juveniles order alcohol. They also charge

that the ARAA, which is partly funded by liquor wholesalers, is using the issue of under-age drinking to protect vested interests: the interests of the states (which control liquor licences and taxation) and those of the traditional wholesalers - both of which stand to lose their cut if Internet trade expands.

All the forecasts suggest it will. Not only is buying by com-

puter convenient, especially for those who live outside major centres or in the many "dry" counties of the central and southern United States, but it is also financially advantageous to buy where state tax is low or nil.

Last summer, a group of mail order companies reached agreement with the state authorities to try to close the sales tax loophole, but the effort came to nothing:

a consumer outcry quashed it. With alcohol sales, some states have tried to protect their income, or their "dry" laws, by banning mail and computer orders. But it is easier said than done.

Nor is the legal drinking age quite as clearly defined as it seems. Since 1988, following a series of drink-driving deaths publicised by the highly effective lobby group, Mothers

Against Drunk Drivers (Madd), the majority of US states have raised the legal drinking age from 18 to 21. This has created a situation where young men and women who have attained the legal age of majority, who may vote, marry, take out a mortgage and command a battery of credit cards, break the law if they buy a beer or drink a glass of wine in public.

The higher drinking age found public favour in a country where the shadow of Prohibition still looms. But it is often flouted. This autumn, there was shock over the death from "binge" drinking of a student at the Massachusetts Institute of Technology. And the drink-related deaths since then of five students in Virginia prompted the state's attorney general, Richard Cullen, to ask whether a lower legal drinking age might encourage more responsible drinking.

A spokeswoman for Tesco yesterday said that when people use its Internet service to buy wine, they must use either an ordinary credit card or a Tesco credit card and the holder of such cards must be 18 or over.

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## GI Jane and GI Joe don't mix, says Pentagon military inquiry

A high-powered civilian panel commissioned by the Pentagon to consider mixed-sex training in the US armed forces has concluded that the practice has harmed discipline and lowered standards. Mary Dejevsky, in Washington, reports on the reversals of a controversial policy

The 11-member panel, chaired by former Republican Senator, Nancy Kassebaum Baker, interviewed more than 2,000 recruits, drill instructors and supervisors. As well as calling for a return to separate basic training, it proposed the formation of all-women training units.

Accepting criticism voiced by some officers and recruits that mixed training had lowered standards, the panel demanded tougher training and fitness requirements, with "consistent" standards for male and female recruits. There should also be improved instruction on "how males and females should relate to each other professionally", it said, but current "no talk, no touch" guidelines should be abolished. The panel's report also recommended severe punishments for those

guilty of making false accusations of sexual harassment or misconduct.

It did not, however, advocate the complete ending of mixed training. Men and women would still spend up to 70 per cent of their time in mixed units, once basic training was complete. Training has been fully mixed in the army and navy for the past four years, and in the air force since the Seventies. Only the Marines stood out against the policy and continues to train male and female recruits separately, a policy which now appears vindicated.

The Defence Secretary, William Cohen, who is a staunch supporter of mixed training in the armed forces, said he was launching a six-month consultation period on the report's findings before making a decision.

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Bare bones: William Hague (right) and his agriculture spokesman Michael Jack (left) at Smithfield market, London yesterday

## Cunningham comes under attack from all sides

The Government's plan to ban beef on the bone had degenerated into complete shambles, it was claimed yesterday. Kim Sengupta and Fran Abrams see the new law come under fierce attack on its very first day.

It is not the first time that a minister's reputation had foundered on a food scare, as Edwina Currie could have told Jack Cunningham. Yesterday, the Agriculture Minister was facing scathing criticism of his handling of the latest episode of the BSE crisis from virtually all sides.

Some butchers openly declared they would flout the new law and continue to supply beef on the bone to customers who demand it. Environmental health officers who are supposed to police the errant butchers said the law could be "virtually

impossible to enforce". The farmers blame Dr Cunningham for damaging their livelihoods and have burned his effigy at protests.

Yesterday, the minister flew back from Brussels into a gathering storm. He was also facing trouble with the European Union over his decision to ban beef imports which do not meet Britain's highest standards. Euro MPs are pressing for immediate legal action against Britain, arguing that one member state cannot invoke trade sanctions against others without the approval of Brussels.

In Britain, some butchers are determined to test and break the regulations. Ray Robinson of Burntwood, Walsall yesterday sold three T-bone steaks. He said he was prepared to be prosecuted rather than stop selling cuts on the bone.

Mr Robinson, 71, said: "This is not about money - I am fighting for a principle and I am prepared to go to court for the principle. I think it is taking personal liberty away to tell people what they can or cannot eat."

Many butchers are "storing" the banned cuts already paid for by the customers to be collected later. Under the new law, this is illegal. But Paul Hambling, from Rickmansworth, Hertfordshire declared: "If that's the case, then it is just too bad. I have got around 25 orders which have been paid for and will be collected for Christmas."

The Chartered Institute of Environmental Health told the Commons' Agriculture Committee yesterday that even if its members found illegal beef on sale they would probably not be able to prosecute.

The only sure method of securing evidence for a conviction would be if an inspector was sold such meat, and this was "negligible".

Ann Goodwin, the institute's Assistant Secretary said: "The regulations are a recipe for confusion and inconsistency" and officials complained they had not been "anything like adequately consulted" by the Ministry of Agriculture, Fisheries and Food over the drafting of the law.

## Wage Bill pushed ahead as Whitehall accused of low pay

The Government Bill to introduce the minimum wage was given a second reading in the Commons last night amid claims that some Whitehall departments were guilty of low payment to staff. Colin Brown, Chief Political Correspondent, says some Whitehall workers get as little as £3.17 an hour.

Workers across Whitehall are being paid rates below the expected figure for the minimum wage, according to ministerial replies which were given as the legislation to stamp out low pay began its passage through the Commons.

The Commons replies to David Chidgey, a Liberal Democrat spokesman, showed that 1,351 full-time employees earn between £3.17 and £4.39 an hour at the Department for the Environment, Transport and the Regions.

The Lord Chancellor's office under Lord Irvine employs 202 full-time staff on hourly rates ranging from £3.30 to £3.50.

About 25 full time staff at the Department of Education and Employment earn £3.59 an hour.

The numbers of workers who are earning low pay are small, but the fact that low pay exists in Whitehall was being used by supporters of the low pay legislation as a lever to seek a higher minimum wage.

The Department of Health employs 106 full-time members of staff who are paid an hourly rate of £3.65, while 15 are paid between £3.66 and £3.75 an hour and 23 are paid up to £4.

Mr Chidgey said the figures showed that the introduction of a minimum wage could increase the Whitehall pay bill by £1.5m. While his estimate is open to question, it does not include the thousands on low pay in the NHS hospitals.

The Liberal Democrats will be seeking to amend the Bill during its committee stage to allow greater flexibility, but Margaret Beckett, the President of the Board of Trade, insisted that the minimum wage should be applied as a national rate.

The figure will be recommended to the Government next May by the Low Pay Commission.

John Redwood, the Conservative spokesman for Trade and Industry, led the Tories in opposing the Bill as an attack on jobs. He said the hotel and catering industries estimated that 90,000 jobs would go in their area if the minimum wage were fixed at £4.26 an hour, and it would amount to 1 million job losses in the UK as a whole.

"The main winner from a minimum wage in the private sector will be the Treasury. The main losers will be those young, unskilled or disabled people looking for their first jobs," he said.



Margaret Beckett insists on a national minimum wage

## Robinson faces official complaint

A formal complaint was lodged yesterday with Sir Gordon Downey, the Parliamentary Commissioner for Standards, about Geoffrey Robinson's non-disclosure of his interest in an offshore family trust.

Peter Lilley, the shadow Chancellor, said in a letter to Sir Gordon yesterday that he understood trusts did not always have close links with their beneficiaries.

But he argued that the connection between the Paymaster General and the Orion Trust was particularly close because of Mr Robinson's alleged influence over its share-buying decisions.

One Labour source said last night that if Sir Gordon ruled that trusts should be registered by MPs, there would be no problem for Mr Robinson - because everybody knew about his trust now - but he said that such a ruling could force Conservative MPs to expose any trusts


that they might currently be the beneficiaries of.

In his submission to Sir Gordon, Mr Lilley cited a statement made by the minister's solicitors last week; that Mr Robinson had no influence over the trust - something that had been contradicted in weekend newspaper interviews.


Mr Lilley also asked Sir Gordon if he would go beyond his Commons remit, and examine "the apparent conflict of interest between the Paymaster's links with the Orion Trust and his ministerial responsibility for policy towards the taxation of such trusts".

Sir Gordon has already told Mr Lilley that he is unable to do that, as that is a matter for the Prime Minister - who has already ruled that Mr Robinson has done no wrong, there is no conflict of interest, and that, as far as he is concerned, that is the end of the matter.

— Anthony Bevins



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## Muscovites learn the rules and rewards of trolley warfare

The first ever supermarket in the former Soviet Union has opened in Moscow. As our correspondent reports, it symbolises the changing priorities of post-Communist Russia. While the city's polling booths were empty for municipal elections, the aisles were packed.

The blue Lada in front rams into an errant shopping trolley and shoots it impatiently out of the way. Fair enough. With temperatures cold enough to freeze your nostril hair, only a fool would get out of the car any more often than necessary.

Inside the store - a huge white and almost windowless concrete block not far from Boris Yeltsin's city residence - there is a jam to rival Oxford Street in the January sales. Thousands of fur-clad men and women hump, barge, and crash their way around the aisles.

Fruit and veg looks like the North Circular on a Monday morning. There is a scrum at frozen meats, and you cannot see dried fruit for a wall of furry backs. It is a battle in mime: when the piped pop music stops, almost no one is speaking. The hush of concentrating minds fills the shop floor.

Twenty-thousand people visited Ramstore last Sunday, a \$34m (£21.25m) Turkish-financed venture in south-west Moscow that glories in the status of the former Soviet Union's first genuine hypermarket and shopping centre. Admittedly, the management says that an astonishing 12,000 of them were sightseeing, but that is understandable in a city where the average salary is officially under \$300 (£187.50) a month. The crowd remains formidable by any standards.

For a start, it was scarcely shopping weather. Temperatures hovered around -20C before plunging even lower, prompting the authorities to ban small children from going to school. On the same day, the city held municipal elections which could have been nullified, such was the miserly turnout. About 29 per cent (4 per cent above the legal minimum) voted.

But the weather did not dampen the curiosity of Muscovites when it came to inspecting the dubious pleasures of consumerism. All day they tramped up and down the hill from the metro station. Clearly, the lure of the market economy outlasted the appeal of taking part in an already widely discredited, obscure, and largely symbolic, democratic ritual.

The last few years have spawned supermarkets across Moscow, but they are hardly ever crowded. Something of the

receipt, and return to collect your goods. Abacuses remain common. Credit cards are worthless. Customer service is unknown.

When Ramstore opened last month, its managers discovered they had an unusual task on their hands. They had to teach Russians how to hyper-shop.

At first, their customers peeled price tags off the goods, and took them to the cashiers, just as in gastronomy. Plastic bags in Russia are still treated as precious: if they have any at all, market stall owners can rarely be persuaded to part with them without a fee. Unaware that here they were free in limitless numbers, Russians brought their own baskets, adding to the crush. "Our customers were just not familiar with this type of shopping," said Aziz Bulgu, the store's general director. Nor, initially, were the staff. "We had a little problem at first," he admitted. "But now they say 'spasibo' and smile."

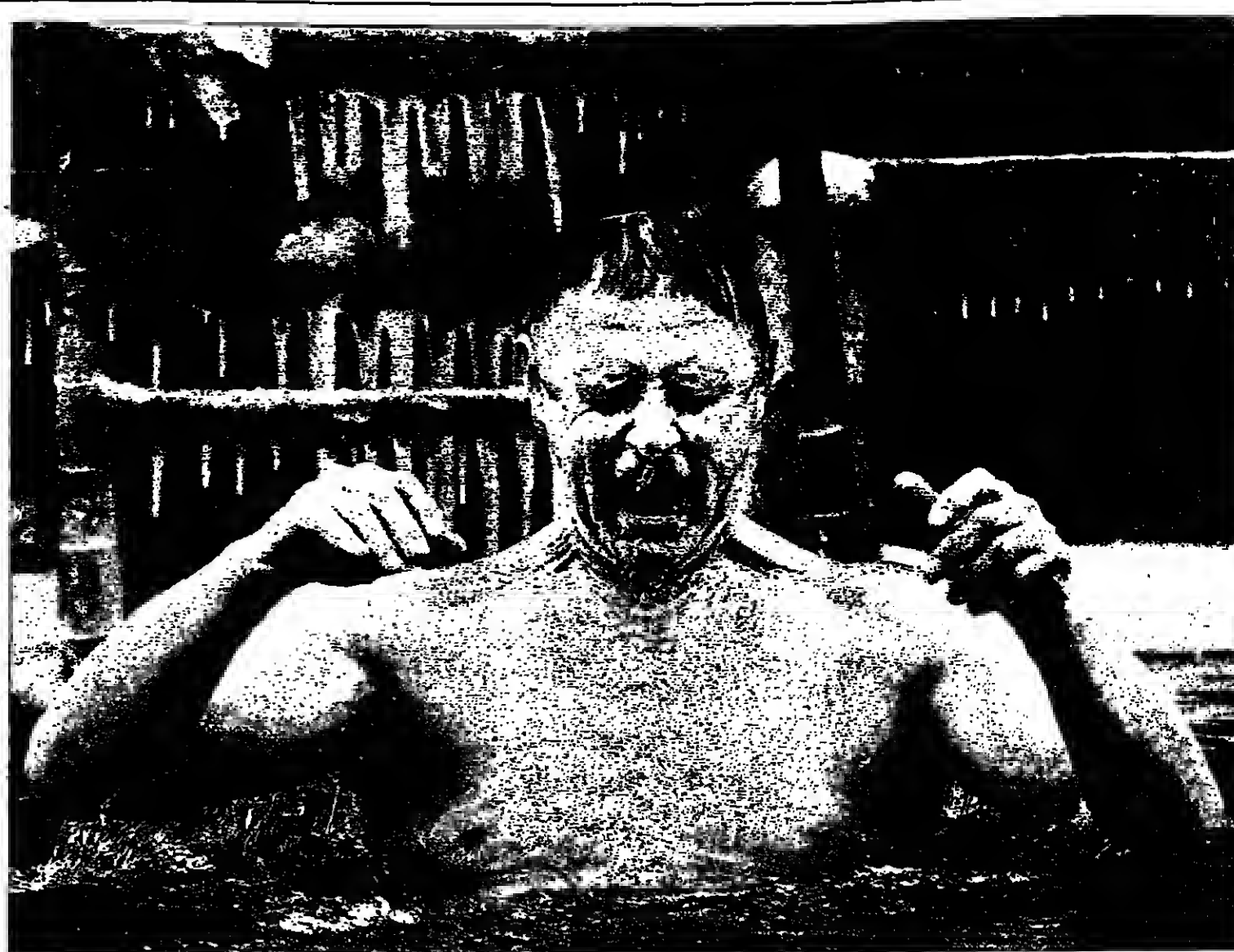
But the biggest surprise is the top-selling item. Mr Bulgu's computer-print out reveals that it is not vodka, or bread, or sausage, or chocolate - or any other of the standard fixtures on a Russian dinner table. Bananas, by far, take the biscuit, as it were. Having only been able to buy them for some four years - and because they are cheap - Muscovites buy them by the bagful. Last week, Ramstore was shifting more than five tons a day.

What conclusions can we draw? It is no longer realistic to deny that the market economy is advancing in parts of Russia, albeit largely in the capital. Muscovites - who 10 years ago would stand all night in queues for products - are no less unwilling to consume than anyone else, if they have the money.

For Mr Bulgu, the lesson is as clear as the red stars that shine from the Kremlin: "I must expand as quickly as possible, before the competition arrives," he said happily.

BY PHIL REEVES

atmosphere of the old Soviet system, in which there were special shops for the party top brass and diplomats, still survives. Omnipresent guards in military uniforms and scandalously high prices usually deter all but the newly wealthy and foreigners. Most Russians shop in the open-air markets, where prices depend on an ability to haggle, or in the dank, malodorous, gloom of "gastronomes" - broken down Soviet-era stores that used to be state-run.



Shock treatment: A man plunging yesterday into Lake Komsomolskoye in Minsk, where it was -25C

Photograph: Vasily Fedosenko

## Even wrapping up against the cold can kill

Russia is experiencing its coldest winter for half a century. As Phil Reeves reports, it is causing chaos.

Children under 11 have been ordered not to go to school. Metal cables that power Moscow's trolley buses have frozen and snapped. Hundreds of people have been treated for frostbite and hypothermia and one person has been killed by a falling icicle.

Few nations are more hardened to hostile weather than Russia, whose deep chill wrecked Napoleon's army and kept the Nazis at bay. But even

this tough country is struggling against a cold snap that has sent the mercury plunging to -32C in Moscow, freezing to death five people in one night.

There has been no repetition of officials say, of an incident on New Year's Eve several years ago when a woman had to be cut out of her frozen nylon stockings. But problems there have been aplenty. The last time the capital had such cold weather was in 1940, when temperatures hit an all-time low of -42.2C. Since then car ownership has risen, but driving skills have not. Of 25 people run over in Moscow during this cold snap, police attribute 17 to the amount of clothing worn by drivers - who can barely

move behind the wheel - and the hearing difficulties of fur-hat-wearing pedestrians with their earflaps down.

Russians are no less fascinated than the British by their climate. This month the magazine *Stolitsa* devoted an article to the subject which included the claim that in the winter more people die in their cars having sex. This, the author alleged, is because they leave their engines running to keep warm, killing themselves with carbon monoxide.

More plausibly, the magazine also revealed that the women who run Moscow's street stalls wear up to four pairs of underpants to keep out frost-

bite. One of the products that the women were selling yesterday was ice cream, which Russians eat in any weather, despite their conviction that cold drinks give you a cold. While they continued to work despite the weather, so did the widely loathed traffic police who carried on flagging down cars for fines or bribes.

The police can expect to be busy in the spring. When the snow melts each year, they find the corpses of homeless or drunk people who are among the dozens who freeze to death in the open air. These, in the grim argot of the force, are known as "snow-drops". This year is certain to be no exception.

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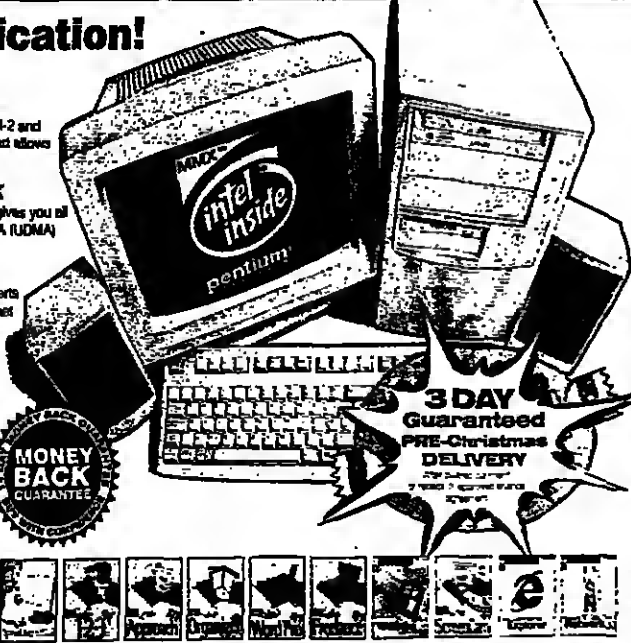
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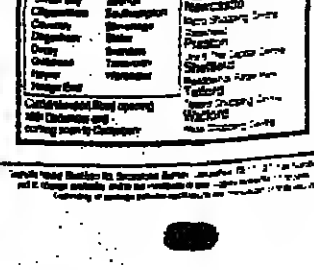
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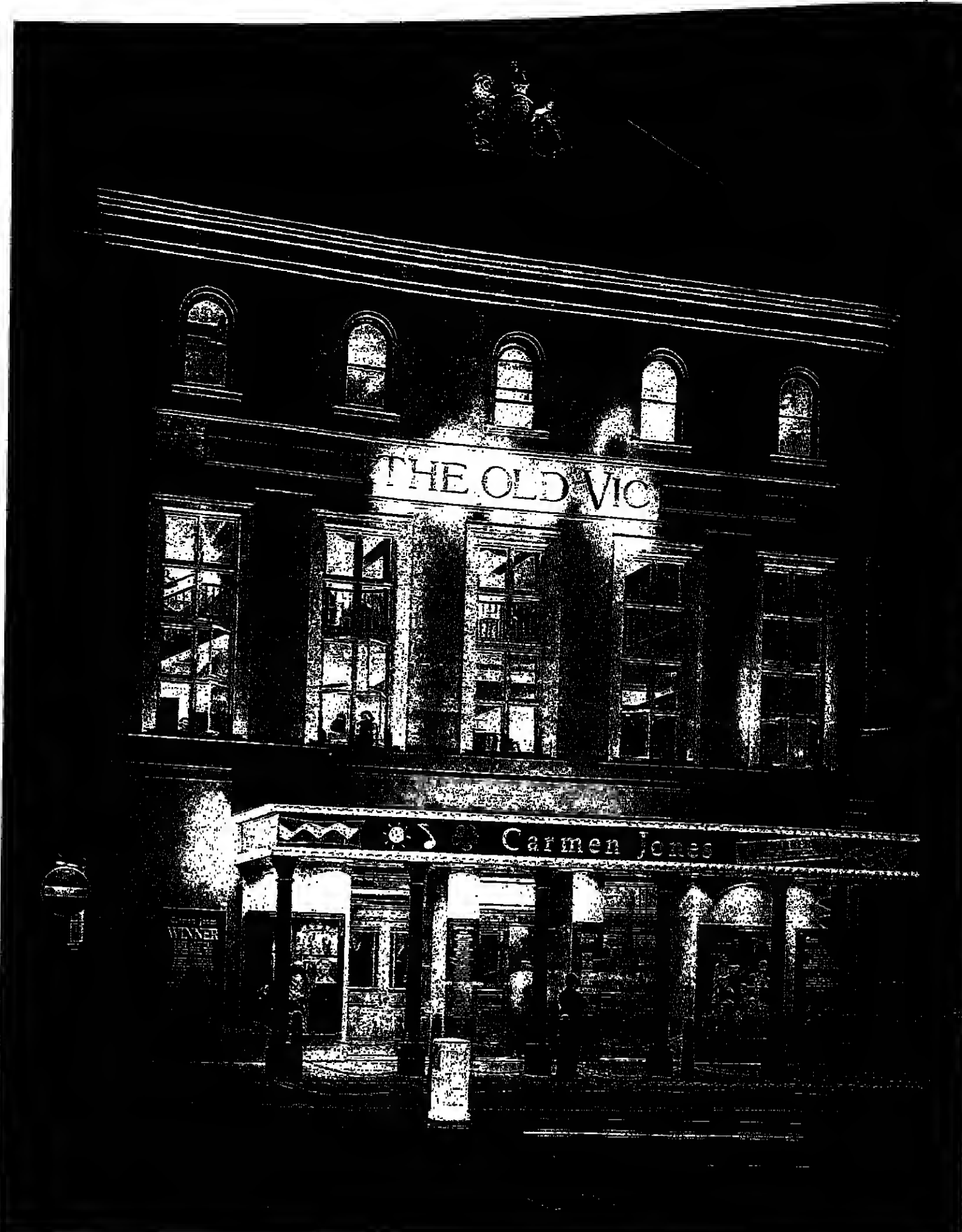


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The Old Vic is up for sale – and, with it, the site that is home to the National Theatre Studio, hothouse of new writing talent, like that of comedian Patrick Marber (top left), whose poker-faced theatre debut 'Dealer's Choice' (inset below) was workshopped there, and regular stamping-ground for such theatrical gurus as Peter Brook (bottom left). Photographs: Geraint Lewis (Marber, Brook), Hugo Glendinning (Dealer's Choice)

## For sale: one prime location with dramatic prospects

**THE INDEPENDENT**

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The future of the Old Vic site hangs in the balance. Sealed bids are on the table, but hidden beneath the headlines is an untold story. Whoever buys it will also decide the fate of the National Theatre's jewel in the crown: its Studio. David Benedict investigates.

Bloody but unbowed, Sir Peter Hall is scouring London for a new home for his repertory company. His much-vaunted scheme to rejuvenate Lillian Baylis's beloved Old Vic by presenting a healthy mix of classics and new plays foundered within a year. According to the story that was bruited abroad when he began his adventure, Ed and David Mirvish, the theatre's Canadian owners, told him that he didn't need to make money. They were not, however, in the business of losing it hand over fist. Less than a year in, they pulled the plug and put the theatre up for sale.

Before anyone leaps to the conclusion that these guys must be a pair of money-grabbing philistines, it should be pointed out that, since they bought the theatre in 1982, the Vic has enjoyed its successes, but it has also been dark for long periods. Significantly for Hall's brave reign, Jonathan Miller's now famous Classics season (which launched the careers of Richard Jones, Alex Jennings and countless others) resulted in critical triumphs but financial disaster. As Lady Bracknell (almost) said, "To lose one investment could be regarded as a misfortune. To lose both looks like carelessness." Careless the Mirvishes were not. The word

"philanthropic" is nearer the mark, when you consider what they did with the less famous part of the property, ie the vast annexe that crouches over the Old Vic box-office across the road from the theatre itself.

Since 1984, this slab of Fifties functionalism has housed the National Theatre Studio, the shy, unheralded heart of the National's present and future. It's the nerve-centre where writers, directors and actors dream, plan and develop new ideas, hone their craft and learn new skills and is, quite simply, invaluable. Everyone you can think of, from Peter Brook to Patrick Marber (and plenty you have yet to hear about), has led or taken part in workshops or been a writer-in-residence there. Astonishingly, the Studio has occupied this enormous three-storey site (plus basement) completely rent-free. But the gravy train is about to hit the buffers: together with the Old Vic, the annexe too is up for sale.

There has been a striking lack of industry gossip about possible purchasers. In a breathless *News of the World* style exclusive, the trade paper *The Stage* announced that the club-owner Alan Whitehead planned to turn the 1,000-seat theatre into London's first lap-dancing venue. Then, 12 days ago, the Studio's director Sue Higginson was surprised to see Lord Lloyd-Webber peering through the door to her office, asking if he could look round the building. His visit was swiftly followed by one from his second-in-command; but, for reasons unknown, Lloyd-Webber is now believed to have

formally withdrawn his bid. At the end of last week, a Newcastle industrialist allegedly came into the frame with plans to create a London home for both the D'Oyly Carte and the English Shakespeare Company but, with sealed bids submitted weeks ago, such press reports are mere speculation. What re-



mains a matter of worrying fact is that none of the interested parties has yet announced what they will do with the Studio.

Desperate to secure its future, the National Theatre board has submitted a bid for the annexe alone, but the site may well not be sold separately. Moreover, the RNT's bid is based on a "current usage" valuation rather than on the site's worth in development terms. The property, complete with a highly useful car-park, is unlisted. Worse still, as anyone will tell you, the three things to consider when buying property are: location, location and location – and the Old Vic site is hot.

Waterloo has been reborn in the past few years: restaurants have sprung up, made a killing and have already been sold on.

As Higginson sagely observes: "I'm sure there are men with bulldozers who are very interested in a prime site." A commercial buyer could quite sensibly fund plans for the theatre by demolishing the annexe for development, leaving the Studio out on the street. The only guarantee the National has

residencies in Lithuania, South Africa and Edinburgh, and last week saw Barrie Rutter working on an unperformed Dryden drama with a company of Asian actors. But the thrust of the Studio's work is new writing. The extraordinary 1994-95 Royal Court Upstairs season, the pole-vaulted the likes of Sarah Kane, Joe Penhall, Judy Upton, Nick Grosso and Judith Johnson into the theatrical stratosphere and made Stephen Daldry's name as a playwrighting entrepreneur, was in fact co-produced with the National Theatre Studio, which runs relays of writers on eight-week residencies.

The best illustration of the seed-bed approach is the case of Patrick Marber, alternative comedian turned prize-winning playwright. His agent persuaded Higginson to see him doing stand-up. Fascinated, she invited him in for a cup of tea and a chat. "I thought, we have to work with him, so I asked how and he said he'd like to run a poker school. I said, 'What? Monopoly money?' and he replied, 'No, real poker players, real money.' I said, 'Not in my studio you're not.' What became apparent was that he had a play lurking around in him but didn't know quite how to get it out. So at the end of a two-week improvisation workshop, he asked if I wanted to see what they'd been doing. About five of us went in and saw what was really the first act of *Dealer's Choice*. Patrick kept clicking his fingers between scenes and we thought, God, this is so annoying. Doesn't he realise that of course

we can see that this is a kitchen and then this is a restaurant? We were so sucked into it we'd completely forgotten it was all improvised and he was just bringing the scene to a close. That was how it started."

Of course, this is not the only place where writers develop ideas, but it's rare to find an organisation that can then place scripts in production not just at the National but at theatres across the country. The Studio is unique in its breadth and scope: Theatre de Complicité's early shows, and its internationally successful *Street of Crocodiles*, all began life there; singers from ENO's Contemporary Opera Studio regularly go there to learn acting techniques; a musical adaptation of Roald Dahl's *Charlie and the Chocolate Factory* is currently under development there.

"Frankly, it's driving me nuts," sighs Higginson of the Studio's uncertain future. Forced to play the waiting game, she has frozen all future work beyond February. She is facing the hard fact that the National Theatre Studio is a complete anomaly. "We're privately funded, yet we're part of a big national company. We have our own building but, hey, we don't have to earn any money from box-office or produce any work for people to assess in order to justify our existence. We train but we're not a training school, we're here for the profession. All those elements make us very, very unusual."

She smiles and shrugs. "It's horribly boring. Trevor Nunn loves us. The Mirvishes have been fantastically good... It would just be a pity if we had to go." That remark clinches it: the 1997 Understatement of the Year Award goes to the National Theatre Studio's Sue Higginson.

en, they

between the top drawer and the top shelf



# 15/FASHION

## Men, they just don't get it, do they?



1 Underwire pistachio lace bra, £31, and lace knickers, £25, by Huit, available from Bentalls, Kingston on Thames, and branches nationwide. Stockist enquiries: 0171-631 3157

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4 Black firework underwire bra, £50; firework brief, £25; and firework suspender, £30, all by Agent Provocateur, 6 Broadwick Street, London W1 and 16 Pont Street, London SW1. Mail-order: 01483 204469; stockist enquiries: 0171-439 0229

Stylist: Charlie Harrington  
Hair and Make-up: Alex Babsky at Mandy Coakley  
Model: Natasha Elms at Select

**Men buying underwear for women. What a business. Mostly they are either painfully embarrassed or painfully wrong. How do you do better? Allow our Ms Blanchard to assist you. Photographs by Sheridan Morley.**

"You feel like such a pervert." That seems to be the consensus of the men I talked to on the subject of buying underwear for the women in their life. Men, it seems, have only just come to terms with the buying of their own underwear, so it is hardly surprising that they feel as though the entire queue at M&S is staring at them as they

clutch their lacy bra and knicker set, hushing the closer they get to the counter. They might as well be wearing the damn things, they are so embarrassed. "The whole act of buying women's underwear is thoroughly unpleasant," adds one hapless underwear shopper. "People always think you are buying it for yourself."

One of the main problems for men in search of a little bit of naughty luxury is that they cannot trust their own judgment. About anything. When it comes to cup sizes, colour or style of knicker, they are clueless. Tangas, G-strings or hip huggers, they're all the same to most men. And the mere mention of the word "gusset" brings them out in a cold sweat. "What size is the lady?" asks the assistant. "Oh, about your size," the guy replies, without more

than a second glance or indeed a pause to compare the size of his elephantine partner with this waifish young woman who is ringing up "A" cups and size small smalls as he speaks.

A few years ago, there was little room between the plain and practical (Jockey, Hanro or Calvin Klein) and the tawdry and tacky (Ann Summers). These days, however, the lingerie market has boomed. Little boutiques specialising in luxurious lace confections are springing up from Mayfair to Covent Garden.

Agent Provocateur, the label set up by Joe Corre and Serena Rees three years ago selling saucy underwear and fluffy slippers, has spread its wings and expanded from sleazy Soho to upmarket Knightsbridge. Then there are

labels like the French brand Huit, specialising in underwear that is feminine and pretty without going over the top with ribbons, bows and ruffles. These are scents that are practical as well as pleasing to the eye, a balance that is surprisingly difficult to achieve. Shapes are sporty with halter-neck bras, detachable straps and seamless bras, but in powder puff blue, mint green or bright yellow.

Another practical option - and part of any model's kit of essentials - is nude underwear. All the major underwear companies make lingerie that looks invisible and has as few seams and lines as possible. Men hate them. They say they look like surgical appliances. Perhaps they do, but they are the closest thing to wearing nothing

under your clothes, but with all the support of more heavy-duty underwear.

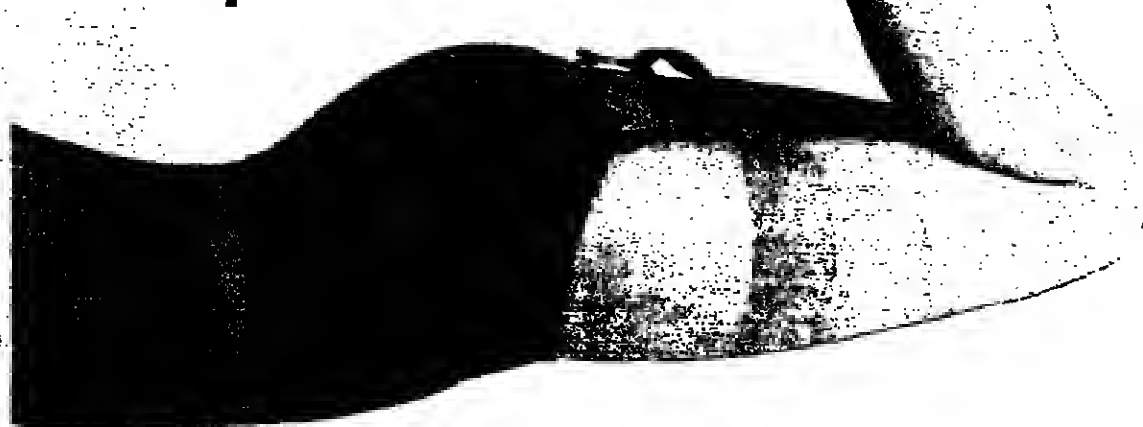
When women buy underwear for their girlfriends, either platonic or otherwise, they usually opt for something plain, simple and cotton. Men could take note and save themselves a lot of embarrassment. No frills, no fuss, just a sporty bra or a pair of knickers that have a wide elastic waistband, or a comfortable look, usually in black, white or grey, and veering towards the masculine side of underwear.

Muji make good quality, minimal camisoles and knickers that have no trills whatsoever but are less brutal than a pair of Jockeys. And you really won't feel like a pervert waiting in the queue.

### HOW TO GET IT RIGHT IN THE LINGERIE DEPARTMENT

1. Before even stepping into a lingerie department or specialised store, become a Peeping Tom. Take a look into your loved one's underwear drawer, find her favourite bra and check the size. Then look at the knickers and do the same.
2. While practising the Peeping Tom routine, it's worth checking the preferred colours, shapes and styles. Ask yourself: is it underwired or not? Are there G-strings, or hip-huggers? Control panels? Lace? Cotton? Black, white, red pistachio or cream?
3. Armed with this knowledge, decide what style of underwear to go for. Remember, it's got to be special, so basic cotton briefs, (unless they are by Hanro) are not advisable. Think about what will make her feel sexy, not what you think is sexy. The two may be very different. Sexy is black lace high-leg knickers and a matching bra which creates or enhances the cleavage. It's not teeny weeny wisps of chiffon, with no support and little comfort.
4. Take a female friend with an impartial attitude shopping - not your secretary or mother.
5. The final option is the easy way out, but it will also go down a treat. Luxury lingerie store Rigby & Peller offer gift vouchers, at denominations of £25, £50, £75 and £100. The recipient can visit the store at any time, have a specialised bra fitting and buy the underwear of her choice. It's all gorgeous, and a correctly fitted bra does wonders for the bust line. A good bra costs about £75, a made-to-measure bra costs from £200.

## Between the top drawer and the top shelf



**Joe Corre is famous for two things: his punk parents and his underwear emporium, Agent Provocateur. Here he tells us why he is so interested in ladies' knickers.**

When our first shop opened three years ago in Broadwick Street, Soho, it looked just as I had expected it to. However, the personal sense of achievement was far more intense than I had expected. This was entirely due to the reaction we received from the public. Typical responses were: "Fantastic, finally someone has opened the shop I have always been looking for," or "I just popped in to say I Love You!" In addition, we also had people spit on the window whilst ranting Christian ethics at us. The reason that these reactions were im-

portant to me was that each and every decision made in creating Agent Provocateur was a personal one, with the sole aim of trying to create a personal, sexy, fantasy environment and then share it with the public. This in itself is in stark contrast with the usual mathematical marketing process by which most businesses open. It is what makes the difference between a personal experience, where the customer has some empathy with the creator, or a mass impersonal experience that one would find on the high street. I have been asked many times why I got involved in ladies' underwear. The truth is that I love women and their pure sexual femininity. Once a lady came to my shop to return a gift that had been given to her by a male friend. She said she had to return it because she was a feminist and was therefore unable to wear sexy underwear!

What a shame that she did not understand the power and advantage that lies in being different to a man instead of either trying to be the same as men or simply opting to have no sexuality at all. Growing up, I don't remember any particular interest in ladies' underwear although I was surrounded to an extent by sexual imagery. I suppose the earliest time I can remember being interested in knickers was when I was about 10 years old, riding in the back of Steve Jones's car (Sex Pistols guitarist). He used to collect the knickers from all the girls he had slept with which were stuffed in every crevice. I remember pulling out this pair of leopard-skin knickers which I promptly put in my pocket and nicked because they were so exotic and interested my curiosity so much. I think underwear is like outerwear in that you need different

looks for different occasions, always bearing in mind, however, that sex could be on the agenda. When we design our collections, we think about creating garments that have an effect in shaping a more feminine silhouette. We also experiment a lot with colour and fabric. But we never base decisions on what we think makes a woman look more sexy. I cannot sell things I do not personally like.

Seam and heel stockings, £8; fishnet stockings, £8; sheer knickers with suspenders, £25; maribou mules, £55, all from Agent Provocateur. For mail-order, ring 01483 268888







## Daphne Fielding

Daphne Winifred Louise Vivian, writer; born 11 July 1904; married 1926 Viscount Weymouth (succeeded 1946 as sixth Marquess of Bath, died 1972; two sons, and two sons and one daughter deceased; marriage dissolved 1953); 1953 Xan Fielding (died 1991; marriage dissolved 1978); died 5 December 1997.

Daphne Fielding was a society author in the decades between 1950 and 1980. Having been a part of the world of Bright Young Things in the 1920s, she was well known in society as the Marchioness of Bath, and following her marriage to Xan Fielding she produced a stream of books of easy charm which achieved great popularity. Good-looking when young, in later life she was a tall, handsome figure, and could have been mistaken for a distinguished actress.

Daphne was the daughter of the fourth Lord Vivian and his wife, Barbara, a former Gaiety Girl, who was to marry three further times. The family was eccentric; many years later, her mother the fifth Lord Vivian (who died in 1991), variously a farm labourer in Canada, a publicity manager in San Francisco and a partner of the impresario C.B. Cochran, had the misfortune to be shot in the stomach in 1954 by his mistress Mavis Wheeler, the former wife of Sir Mortimer Wheeler, the archaeologist, a drama which occupied the headlines for many days.

Daphne emerged from a childhood which was a mixture of hilarity and insecurity, later described with relish in her memoirs, *Mercury Presides* (though Evelyn Waugh declared these as "marked by discretion and good taste"). She passed through Queen's College in London, and St James's, Malvern, and gravitated, through her friends the Lygon sisters, to the stimulating world of Oxford in the 1920s, and to that set dominated by Harold Acton, Evelyn Waugh and Brian Howard. The friends she made then were friends for life, a group that gave each other unwavering loyalty despite infidelities and political differences, everlastingly self-protecting, and a group through which she met Viscount Weymouth, heir to the Marquess of Bath.

There was parental opposition to their union. Henry Weymouth's father declaring that he needed "a steady wife" and finding that Daphne did not fit this category. Weighing in, her father announced that he thought Weymouth an unsuitable husband. They were married in secret at St Paul's, Knightsbridge, in 1926, and then again considerably more publicly at St Martin-in-the-Fields in 1927, the bride dressed by Norman Hartnell. (When eventually they were divorced, there was a prolonged court case before three judges in dissolve that earlier marriage, and regularise the unusual situation.)

Old Lord Bath in 1928 handed the running of the Wiltshire estate, Longleat, to his son (not without certain misgivings about his capacity for work) and he and Daphne threw themselves wholeheartedly into the management of the estate. They employed Russell Page to red

the gardens and were involved in extensive forestry work. To supplement her income, Daphne wrote articles for newspapers and magazines, which brought her under the protective care of Lord Beaverbrook.

They had four sons and a daughter. The eldest boy died in 1930, just before his first birthday, and the youngest, Lord Valentine Thynne, died after hanging himself in 1979. Her daughter Caroline predeceased her, and she is survived by two sons, the present Marquess and his brother, Lord Christopher, who are on notoriously bad terms. (There was a rumour that at Lord Christopher's wedding to Antonia Palmer in 1968 the cake was laced with LSD. The Queen was a guest.)

Henry Weymouth spent much of the Second World War as a prisoner of the Germans, which did not help the marriage. In 1946 he succeeded his father as Marquess of Bath. Forced by crippling death duties he opened Longleat to the public in 1949, with an entrance fee of half a crown a head. By 1953 he had added a tearoom and tennis court, laid out a putting green, and floated pedalos for hire on the lake. But the marriage was over and the Baths were divorced in May 1953.

Daphne wrote the first



Loyal friend: Fielding by Augustus John, 1943

guidebook to Longleat, a lively history of the Thynne family from 1566 to 1949, which she researched and wrote in three weeks. This she followed with *Before the Sunset Fades* (1953), a slim 30-page book about life above and below stairs at Longleat, decorated, appropriately, by her old friend and Wiltshire neighbour Cecil Beaton.

In 1953 she married the war hero and travel writer Xan Fielding, a man 14 years her junior, a happy marriage which lasted until 1978. During these years they lived variously in Cornwall, Morocco, Portugal and Uzes, where they settled for some years, surrounded by a variety of pets and visited by their many friends.

While married to Fielding, she wrote her books *Mercury Presides* (1954) and its sequel, *The Nearest Way Home* (1970), and a novel, *The Adonis Garden* (1961), of which Evelyn Waugh wrote that she had "squandered six books in one", adding, "You have used almost everything that has happened in the last twelve years."

*The Duchess of Jermon Street*, a life of Rosa Lewis of the Cavendish Hotel subsequently serialised on television, was to have been written with the help of George Kinnaird (a writer who also used to help Baroness

de Stoekli with her books), but he gave up while going through a divorce. It was published in 1964 and Evelyn Waugh described it as "jolly good but I think full of inaccuracies".

She wrote a joint life of Lady Cunard and her daughter Nancy, *Emerald and Nancy* (1968), which her friend Dirk Bogarde judged "light on the intellect", fearing that Fielding had whitewashed these two monsters on the grounds that "she couldn't be beastly to chums"; and a portrait of Iris Tree, *The Rainbow Picnic* (1974).

Raleigh Trevelyan, of Hamish Hamilton, then commissioned her to write a life of Gladys Deacon, the 93-year-old Duchess of Marlborough, whom he had come across while researching his book about the Whitakers of Sicily, *Princes Under the Volcano* (1972). This was not her usual milieu, since the duchess belonged to the *belle époque* and intellectual world of Paris of a generation older than Daphne Fielding. Nevertheless she was able to tap her wide circle of loyal friends for anecdotes. To her surprise a man wrongly described as "a young intellectual" proved to have embarked on the same research. However, her friends closed ranks around her, and a word from Lady Diana Cooper to her biographer, Philip Ziegler, caused him to drop the rival's incipient Collins contract like a hot potato.

I know this, for I was that rival. Both books were in due course published, hers under the title *The Face on the Sphinx* (1978). But the story had a happy ending, for those same friends helped me with my life of Cecil Beaton, and Diana Cooper, in her more usual role as peacemaker, effected a successful rapprochement between us. I enjoyed a number of meetings with Daphne in New York in 1981, during which she chatted amiably about our experiences and regaled me with Cecil Beaton stories. I always remember her line about Patrick Leigh Fermor: "Do you know Paddy? He's such a good friend. He should be turned into pills so that you can take him when you feel low."

Her friend Robert Heber-Percy averred that Daphne Fielding was a better conversationalist and letter-writer than author of books.

In 1978 Xan Fielding left Daphne for a lady described by her friends as "an older woman". Bereft but brave, she was lucky to meet once more an old Oxford friend, Ben Kirtledge, an American millionaire, with whom she went to live in Arizona until his death in 1981. Thereafter she returned to England and settled in the Old Laundry in the shadow of Badminton, where for two years the fox-hunting 10th Duke of Beaufort ("Master") lived on, and where, until her death from cancer in 1993, her daughter Caroline lived as the next Duchess of Beaufort.

Daphne Fielding's last years were spent there. At the famous Horse Trials she could be seen driving about in a tiny self-propelled vehicle and every Sunday she lunched with her son-in-law, where she was a by no means unnoticed figure at the table.

— Hugo Vickers



Kaye, third from left (next to Frank Sinatra), as Nicely-Nicely Johnson in the film version of *Guys and Dolls*, 1955

Photograph: Ronald Grant Archive

## Stubby Kaye

Stubby Kaye, actor and singer; born New York 11 November 1918; married Angela Bracewell; died Rancho Mirage, California 14 December 1997.

The genial and rotund singer-comedian Stubby Kaye secured a place in theatrical history on the night of 24 November 1950 when the classic musical *Guys and Dolls* opened on Broadway.

In a score by Frank Loesser full of musical gems, Kaye had the biggest show-stopper of the evening with the revivalist number "Sit Down, You're Rockin' the Boat", the audience demanding several encores. He repeated his role with equal success in London, and recreated his performance in the 1955 film version. Though he had further successes on stage and screen, notably as Marilyn Sam in *Lil Abner*, it is for his portrayal of Damon Runyon's jovial gambler Nicely-Nicely Johnson that he will always be remembered.

*Guys and Dolls* was Kaye's

Broadway debut, but he had already had a long career in show business. Born in 1918 in New York, he was not christened Stubby, but always refused to reveal his real first name. In 1939 he won the Major Bowes Amateur Hour contest on radio, the prize including a job touring in vaudeville, where he was sometimes billed as "Extra Padded Attraction". He joined the United Service Organisation (USO) during the Second World War, touring battle fronts and making his London debut performing with Bob Hope.

After the war he continued to work in vaudeville and gained a reputation in night-clubs as Master of Ceremonies for the swing orchestras of Freddy Martin and Charlie Barnet before being cast as Nicely-Nicely (when asked how he is, he always replies, "Nicely, nicely, thank you") in *Guys and Dolls*. As well as his second act show-stopper, Kaye also led the brilliant opening trio, "Fugue for Tibornas", in which three gamblers offer their conflicting

racetrack tips: "I've got the horse right here..."

When the show opened in London in 1953, just five days before the Queen's coronation, Kaye again stopped the show with "Sit Down, You're Rockin' the Boat" when, as one of the gamblers attending a Salvation Army meeting because of a wager, he rouses the congregation with his account of a dream in which he was on a boat to heaven but was swept overboard when he tried to start a dice game.

If the Runyon characters of *Guys and Dolls* were somewhat fanciful, those of Kaye's next Broadway musical, *Lil Abner* (1955), were literally based on cartoons — Al Capp's colourful inhabitants of Dogpatch, USA, which had been delighting newspaper readers since 1935. As Marilyn Sam, Kaye was given only featured billing, but again had the major show-stopper "Jubilation T. Cornpone", a rousing tribute to the town's cowardly founder, plus two other highlights of the Johnny Mercer/Gene DePaul

score. "The Country's in the Very Best of Hands", with a sharply satirical Mercer lyric, and a charming duet with the show's heroine Daisy Mae, "I'm Past My Prime". "Give him a musical fanfare like 'Jubilation T. Cornpone'", wrote Brooks Atkinson, "and he can sing it with that vaudeville rhythm and those vaudeville blandishments that turn song numbers into triumphant occasions." When the show was filmed in 1959, Kaye was again considered indispensable casting.

DePaul and Mercer also wrote the score for *You Can't Run Away From It* (1956), a musical remake of the Capra classic *It Happened One Night*. As a passenger on a bus carrying a runaway heiress, June Allyson, and a reporter, Jack Lemmon, Kaye provided one of the brighter moments when he promoted friendship by leading the passengers in the song "Howdy Friends and Neighbours".

In 1965 Kaye and Nat "King" Cole acted as Greek chorus in the acclaimed western satire *Cat*

*Ballou*, and in Boh Fosse's film version of *Sweet Charity* (1968) led the company in the ebullient "I Love to Cry at Weddings". He also appeared in films which included *40 Pounds of Trouble* (1963), *Sex and the Single Girl* (1964) and *The Way West* (1967), and lent his voice to the part-animated *Who Framed Roger Rabbit* (1988). He was a familiar guest television performer in the days when stars such as Perry Como and Dinah Shore had their own shows and he had regular roles in two short-lived series, *Love and Marriage* (1959) and *My Sister Eileen* (1960).

He last appeared on Broadway in 1974, starting with Alice Faye and John Payne in a revival of *Good News*. As the football coach Pooch Kearney, his cherubic countenance unchanged since his days as Nicely-Nicely, he proved as infectiously jubilant as ever when he led his team in DuSylva, Brown and Henderson's ode to optimism "Sunny Side Up".

— Tom Vulliamy

## Stanislaus Rapotec

As a friend and a wartime fellow officer of Stanislaus Rapotec, writes Aleksa Gorkovic, (we served in the Royal Yugoslav Battalion in Middle East before and after his mission to the occupied Yugoslavia), may I add to Professor Stevan Pavlovich's obituary [9 December]?

Pavlovich is correct: Rapotec's 1942 reports were "lucid and unprejudiced". However, his statements that the reports "may not have been to the liking of those to whom he reported" and that they were probably not passed to London "but kept in Cairo by Yugoslavs and British there", need clarification.

Rapotec was briefed and debriefed separately by the British Special Operations Executive, by the Yugoslav military and by Jovan Djondjovic, Yugoslav Government Delegate for the Middle East. Serb, Croat and Slovene ministers of the Yugoslav government in London received Rapotec's information with varying degrees of enthusiasm: Rapotec reported positively about General Mihailovic's activities and those of nationalists in Slovenia and confirmed the horrors of the Croat Ustasa regime.

SOE documents released earlier this year ("How a Sovi-

et mole united Tito and Churchill", *Independent*, 28 June) have confirmed that SOE (Cairo) was Communist-dominated. Information favourable to the nationalists was not passed to London.

Pavlovich writes that Rapotec met Archbishop Stepinac several times during his mission. I had long discussions with Rapotec about these meetings. Stepinac told him that he could achieve more, including saving lives of individual Serbs, by not condemning publicly the Ustasa regime. Rapotec fully believed in the Archbishop's integrity. However, Stepinac's wartime

activities remain controversial, as indeed do those of Pius XII. One must await the release of Vatican documents before making a final judgement.

Rapotec was a flamboyant personality in peace and in war. In 1944, Churchill persuaded King Peter that the only way to safeguard his position was to co-operate with Tito. The young king broadcast on the BBC an appeal to all Yugoslavs to unite under Tito. This caused great confusion. Colonel F. Stropnik, the CO of the Yugoslav battalion, a Slovene like Rapotec, decided to respond to the King's appeal. Officers who

were against co-operation with Communists left. However, Rapotec with his sergeant returned in the night and "stole" the Royal Standard, which had been presented to the battalion personally by the King. This was a great embarrassment to Colonel Stropnik, who was still claiming his allegiance to the King.

Soon afterwards it became clear that no accommodation was possible with Tito. One Slovene, Stropnik, put the red star on his cap, and returned to Yugoslavia, where he was promptly dismissed from the army. The other Slovene, Rapotec, became an Australian.

Announcements for Gazette BIRTHS, MARRIAGES & DEATHS (Births, Adoptions, Marriages, Deaths, Memorials, Weddings, Anniversaries, In Memoriam) should be sent in writing to the Gazette Editor, The Independent, 11, Abchurch Lane, London EC4N 3DF, telephone 071-253 2002 (24-hour answering machine 071-253 2001) or faxed to 071-253 2010, and are charged at £6.50 a line (VAT extra). OTHER Gazette announcements (notices, functions, forthcoming marriages, marriages) must be submitted in writing and are charged at £10 a line, VAT extra. Please include a daytime telephone number.

**ROYAL ENGAGEMENTS**  
The Prince of Wales, Duke of Cornwall, will attend a reception at the Royal Festival Hall, London, on the occasion of the 40th anniversary of the formation of the British Royal Air Force, 11.30pm, 17 December. The Princess Royal, Patron, National Association of Victim Support Schemes, attends the Meeting of the Victim Support Advisory Board, Church House, London SW1, at 6.30pm, 18 December. The Duchess of Gloucester, Patron, National Association of Victim Support Schemes, attends the Christmas Dinner at the National Association of Victim Support Schemes, Church House, London SW1, at 7.30pm, 18 December. The Duchess of Gloucester, Patron, National Association of Victim Support Schemes, attends the Christmas Dinner at the National Association of Victim Support Schemes, Church House, London SW1, at 7.30pm, 18 December.

**Changing of the Guard**  
The Household Cavalry Mounted Regiment mounts the Queen's Life Guard at Horse Guards, 11am, 18 December. The Royal Regiment of Wales mounts the Queen's Guard at Buckingham Palace, 11.30am, 18 December.

**Birthdays**  
Mr Simon Bates, disc jockey, 50; Mr Peter Blackburn, president and director general, Nestlé France, 57; Dame Mary Curwright, mathematician, 97; Mr Christopher Cazenove, actor, 52; Viscount Darnley, Lord-Lieutenant of Warwickshire, 76; Lord de Villiers, barrister, 88; Lord Glenamara, former government minister, 85; Mr Brian Hayes, radio presenter, 60; Mr Bernard Hill, actor, 53; The Hon Dominic Lawson, Editor, the *Sunday Telegraph*, 41; Mr Kerry Packer, chairman, Consolidated Press Holdings, 68; Sir Leonard Peach, Commissioner for Public Appointments, 65; Mr Robert Robinson, broadcaster and writer, 70; Mr David Smith, former Headmaster, Bradford Grammar School, 63; Mr Tommy Steele, singer and actor, 61.

**Anniversaries**  
Births: Gabrielle-Emilie Le Tonnelier de Breteuil, Marquise du Châtelet, writer, 1706; Ludwig van Beethoven, composer, baptised 1770; Sir Humphry Davy, chemist and inventor, 1778; Jules-Alfred Hunt de Gouvenar, novelist and historian, 1830; Ford Madox Ford, novelist, 1873; J. Robertson Hare, actor, 1891; Enid Blyton, novelist, 1897; Deaths: Simon Bolivar, South American patriot, 1830; Kaspar Hauser, the "lone" "wild boy" of Nuremberg, 1835; Rear Admiral Sir Francis Beaufort, hydrographer, 1857; Louis-Marie

Alphonse Daudet, novelist, 1897; Baron Ferdinand James de Rothschild, banker, 1898; Bernard Quaritch, bookseller, 1899; Sir William Thomson, first Baron Kelvin of Largs, physicist, 1907; Elizabeth Garrett Anderson, physician, 1917; Peter Philip Heseltine Warlock, composer and editor, committed suicide 1950; Dana Andrews (Carver Daniel Andrews), actor, 1992. On this day: Drake's ship *The Pelican* (afterwards called *The Golden Hind*) sailed out of Plymouth on a round-the-world voyage, 1577; the Lyric Theatre, Shaftesbury Avenue, London, opened, 1888; the first radio message was sent across the Atlantic, 1902; the Wright brothers made their first flight at Kitty Hawk, North Carolina, 1903; following a blizzard, New York received 27 inches of snow, 1947; following the closure of the Suez Canal, petrol rationing was imposed in Britain, 1956; after Arab guerrillas hijacked a West German airliner at Rome airport, 31 people were killed, 1973. Today is the Feast Day of St Begga, St Lazarus, St Olympia, St Sturm and St Wivina.

**Lectures**  
National Gallery: Jacqueline Ansell, "Christmas Trees (iii); Caspar David Friedrich, *Winter Landscape*", 1pm.  
Victoria and Albert Museum: Julia Hunt, "Japanese Netsuke", 2.30pm.  
Tate Gallery: Justine Hopkins, "Sunshine, Chateaux and Drifting Water: Turner and the Loire", 1pm.

## LAW REPORT: 17 DECEMBER 1997

### Aggravated burglary required entry with a weapon

Where, in the course of a burglary, one of the burglars was carrying a weapon but he did not enter the building with it, the offence of aggravated burglary contrary to section 10 of the Theft Act 1968 was not committed.

Régina v Place Court of Appeal (Criminal Division) Lord Justice Mummery, Mr Justice Hooper and Judge Michael Walker 27 November 1997.

The Court of Appeal allowed the appeal of Kennedy Francis Klass against his conviction on 16 January 1997 at Chelmsford Crown Court of aggravated burglary, but substituted a conviction of burglary pursuant to section 3 of the Criminal Appeal Act 1968.

The appellant was one of three men who burgled a caravan. The window of the caravan was broken, and when the

occupant stepped outside he saw a man, who was not the appellant, with a piece of pole in his hand. The victim told the man he did not have any money, and the man smashed him over the head with the pole. The victim ran away and the man followed him and repeatedly struck him with the pole.

On his return to the caravan, the victim discovered that various items were missing. Several hours later the appellant was arrested in connection with another matter. He initially denied involvement in the burglary, but his fingerprints were found inside the caravan. He eventually admitted having been present outside the caravan, and said that one of his companions had suggested the burglary. He had, however, been surprised when one of them had pulled out the pole.

John C. Barker (Registrar of Criminal Appeals) for the appellant, Susanah Farr (Crown Prosecution Service, Chelmsford) for the Crown.

Mr Justice Hooper said that the appeal raised one question of law: whether the offence of aggravated burglary could be committed if the weapon was not being carried by the burglar or one of the burglars who entered the building. Section 9(1)(a) of the Theft Act 1968 provided:

A person is guilty of burglary if (a) he enters any building or part of a building as a trespasser and with intent to commit any such offence as is mentioned in subsection (2) below.

One of the offences mentioned in subsection (2) was the offence of "stealing anything in the building or part of the building in question". Section 10 of the Act provided:

A person is guilty of aggravated burglary if he commits any burglary and at the time has with him... any weapon of offence... (b) "weapon of offence" means any article made or adapted for use for causing injury to or incapacitating a person or intended by the person having it with him for such use.

To commit the offence the person must have a weapon of offence with him at the time of entry: see *R v O'Leary* (1986) 82 Cr App R 341.

There was no evidence that the pole had ever entered the caravan. It had been used to break the window, but that was not, on the facts of the case, an "entry" within the meaning of the word in section 9(1) of the Act. Assuming that there was only one weapon and that that weapon was with the person on the outside of the building, that person committed a burglary if he was aiding and abetting

the burglary being committed by the person effecting entry. A strict interpretation of section 10 would therefore lead to the conclusion that both could be convicted of aggravated burglary.

The gravamen of the offence of aggravated burglary was, however, entry into the building with a weapon. The purpose of section 10 was to deter people from taking weapons into buildings and other people's houses while committing burglary. Although there were certain academic attractions in the strict approach to the interpretation of the section, a purposive approach was to be preferred. The conviction for aggravated burglary would be quashed, but a conviction of burglary would be substituted, pursuant to section 3 of the Criminal Appeal Act 1968.

— Kate O'Hanlon, Barrister

هَذَا مِنْ الْأَصْلِ



# 18/LEADER & LETTERS

## Instincts at war: contempt for the poor and pity at their plight



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The politics are simple. The huge numbers, the jargon, the unfashionable subject-matter and (not least) the obfuscation of ministers give the impression that the disability benefits row is very complicated. In essence, it isn't.

The political dynamic can be seen on the streets of almost any major city. There are people begging. You pass. You have money. You feel irritation: you are a gritty person, a coper, a worker. Why should you give money to this idler, this sturdy beggar? Why don't they try harder? But you also feel something else: pity and unease. You feel "what-if-it-was-me?" and you feel suddenly superstitious about your own better fortune. These two basic social instincts are at war. So you give. Or you don't give.

That's what's going on. State welfarism veils the dilemma, hiding it behind the relative anonymity of mass provision, the complexities of different payments and the blatherings of politicians. But there are very simple warring urges at play.

Labour needs the money from squeez-

ing the welfare budget (not at the very least, to stop the increase). That means looking at disability payments, which have risen 200 per cent since 1978-9 in real terms and comprise about a quarter of the total welfare budget. Labour knows voters elected it to improve schools and hospitals without raising taxes. Now it has to find the money from somewhere. Not very disabled people, it has decided, are one group which will lose.

This might translate into effective rhetoric if it came from a right-wing party. The Social Security Secretary would be on the radio talking about scroungers and layabouts, whipping up populist outrage and generally playing to that human instinct which passes the beggar with a shiver of irritation. It would be nasty and effective. Right-wing parties do this sort of thing all the time.

Harriet Harman doesn't use that language. She can't. Hers is not a right-wing populist party. It was founded to speak for that other instinct, the sense of pity, the

there-but-for-the-grace-of-God instinct. On top of that, Labour has encouraged and embraced the language of rights and citizenship. Disabled people don't want to be pitied. They follow where blacks, women and gays led, demanding their share of the social sunlight. They have articulate, angry and effective spokespeople. They are prepared to use direct action.

How can a party created partly from a sense of compassion, and now very close to the "rights culture", invoke words such as shirker and sponger to reach the voters and impress the Press? It just can't. This means that Tony Blair and Harriet Harman are engaging in a crusade to cut benefits without the moralising, populist language that would normally go with it. No wonder they sound abstract, oddly passionless and wooden-tongued on the issue.

So what is to be done? The state cannot and should not compensate for all the misfortunes and difficulties of life. Over time, responsibility for paying people who are injured or become sick at work should

pass from the state to employers, and thus, in effect, the insurance companies. That might save some £700m eventually. But it doesn't really answer the hard questions.

The only way ahead is to spend more, in the short term, on better inspection procedures, and to ensure that money is spent only on those who really need it. Cutting into the "middle-class welfare state" is absolutely consonant with the New Labour programme. Many better-off people will lose, and how. But the balancing quid pro quo is that disability benefit would not be cut, but raised, for those who are really incapacitated. There needs to be, in other words, a sharper cut-off between citizens recognised as seriously disabled and needy, and those who are not.

At the same time, much more should be done about getting disabled people into work, using the stick not simply on individuals but on companies. This may lead to a national quota system, enforceable by law. We are not much in favour of new regulations and bureaucracies, but companies

are reluctant to employ the disabled and it looks futile to rely on exhortation.

Will all this radically reduce the welfare budget? Not soon, because of the huge number of disabled people who are already beyond working age, and because the change in culture cannot happen overnight. It is to be introduced humanely. Nobody who voted Labour in May did so hoping poverty to people already badly disadvantaged in life. And, we say again, these changes need to be accompanied by more generous benefits for the badly disabled.

Getting the balance right means mixing compassion and generosity with toughing compassion and generosity and need. It means that the Government has to persuade the country and the party that it is at least as worried about the living standards of the disabled as those of the anti-tax, better-off voter - but is also prepared to turf the minority of workshy off benefits. They don't give that impression at the moment. They'd better start.

Post letters to Letters to the Editor and include a daytime telephone number. Fax 0171 293 2056; e-mail: letters@independent.co.uk. E-mail correspondents are asked to give a postal address. Letters may be edited for length and clarity.

## LETTERS

### Work and morals

Sir: My new Labour Party membership card for 1998 arrived in the post the morning after the vote on single-parent benefit. I ask myself whether I want to remain a member of a Party which can so dramatically reverse its previous opposition to this measure.

The new stance is based on the assumption that there is a major problem of welfare dependency which any sensible government would have to tackle. As a historian I am sceptical of this.

Every time there has been a collapse of the labour market there have been politicians who have claimed that the unemployed are suffering from some moral deficiency rather than from economic circumstances. Yet each time the labour market has subsequently revived "morals" seem to have shifted remarkably quickly as unemployment has fallen.

A policy of welfare to work, in the sense of facilitating the way back to work for those who want it, is quite right. But to treat this as a moral issue, and thereby justify the use of big sticks as well as carrots, is not what a Labour government should be about.

I will not be renewing my membership.  
Professor JIM TOMLINSON  
Brunel University  
Uxbridge, Middlesex

Sir: While supporting the "big idea" of the present government that everybody should be given the opportunity to be employed rather than receive benefits, may I promote the balancing policy of a minimum income necessary for healthy living. This should also join the ranks of "big ideas".

The poorest 10 per cent in the United Kingdom are dying younger than they were. The reasons given have been stress and inadequate diet and health care. There has been no improvement in their life span since the 1920s. The rest of us are living longer.

There is a minimum income needed for a pregnant woman which will provide adequate nutrition for her and her unborn child. Failure to provide such an income in social benefits to the poorest families sets up a time bomb of physical and mental inadequacy which runs on through the generations.

Single parents, two-parent families, teenagers, pension-



ers and others need appropriate minimum incomes sufficient to ensure that nutrition is not diminished because of the needs for warmth, clothing, transport and other necessities.

Governments are, however, flying blind. They increase or reduce benefits and pensions, propose a minimum income, with no idea, big or little, of the weekly incomes needed for healthy living and an improved expectation of life for the poorest.

Let's stop perpetuating the damaging polarisation between better benefits and other anti-poverty policies. Each is necessary but not sufficient. They should all be seen as elements of a comprehensive strategy to enable people to move from the margins to the mainstream.

Chairman  
Zeccheaus 2000 Trust  
Henley-on-Thames, Oxfordshire

Sir: You say (leader, 9 December) that "a lump of cash, handed out by the state, does not make a poor household part of the mainstream". Perhaps it doesn't - by itself - although in a society in which "the mainstream" is made up of those with more money, it doesn't hurt help.

But an adequate income also makes the other steps out of exclusion that much easier.

It makes the transition to paid employment less of a risk - crucial for those with children especially. Recent research shows that lone parents suffering greater financial hardship were less likely to obtain a job. All the tasks of the new Social Exclusion Unit will be made that much more difficult if the energies of the people whose problems it is meant to be addressing are exhausted by the day-to-day struggle for survival.

Let's stop perpetuating the damaging polarisation between better benefits and other anti-poverty policies. Each is necessary but not sufficient. They should all be seen as elements of a comprehensive strategy to enable people to move from the margins to the mainstream.

Dr ANNE-CAROLE CHAMIER  
Andross, Ross and Cromarty

Sir: Those who have rebelled against their party in the vote on benefits for single parents ought to remember that they have been elected not just to put in place the wishes of those who voted for them, or to exercise the ideology of their party, albeit the

support, nowadays looks like carelessness - many taxpayers may even say irresponsibility.

The social sanctions against illegitimacy which prevailed until quite recently represented sound, protective principles. The erosion of social sanctions and the absence of economic sanctions have had predictable consequences - none of them good news for taxpayers struggling to raise a family in traditional fashion. I hope I am not alone in supporting the Government's efforts to make young women think twice before choosing to become a lone parent.

Dr ANNE-CAROLE CHAMIER  
Andross, Ross and Cromarty

Sir: To be a lone parent through no fault of your own is generally regarded as unfortunate. To choose to be a lone parent if one has no personal means of

"wild" party, but to govern for the benefit of the whole people, a requirement forgotten in their time by their predecessors, much to their eventual cost.

JAMES MACKIE  
Witney, Oxfordshire

### Talking cure

Sir: One basic problem with the research on counselling to date is that the researchers are not always clear as to the nature of counselling or as to who or what is a counsellor. What's so special about psychotherapy? 9 December. Nevertheless, the special ingredient of counselling and psychotherapy is in the quality of the therapeutic relationship. It is not surprising that it is so popular with patients and GPs in medical centres where the GP's time is at a premium.

What did Jeremy Laurance expect to be the outcome of the research? That counsellors were more effective than GPs? The fact that they are at least as effective may well disturb GPs,

considering the length and expense of their training. Certainly many of them welcome a counsellor as a colleague to assist in bearing the burden of the emotionally disturbed patient.

Counsellors and psychotherapists are not unaware of the need to "sharpen up" their professional skills and are collaborating in research. Perhaps the best evidence to date is the huge demand for counselling and patients' preference for the "talking cure" rather than drugs.

JOHN EATOCK  
Vice-Chair, Counselling in Medical Settings Division, British Association for Counselling  
Rugby, Warwickshire

### Unfree information

Sir: A few years ago a number of leading Labour politicians and spokesmen from the Campaign for Freedom of Information supported a proposed Freedom of Information Act with the claim that it would mean that

the press would be able to uncover scandals such as "Arms to Iraq". They were naive.

The reality is that David Clark's proposal ("Freedom of Information proposal gets high praise", 12 December) is loaded with so many exclusions - what does "national security" actually mean? - that in practice the press will still remain in the dark. The decision to exclude defence, foreign affairs and the security and intelligence services from its provisions means that this is a pale shadow of, for instance, the American Freedom of Information Act, which is itself deeply flawed.

I recently received a bundle of documents from US Army Intelligence on a number of deceased British politicians and individuals. I received them within six weeks of the request and it cost me not "a nominal fee of £10" but just the price of a stamp.

STEPHEN DORRIL  
Holmfirth, West Yorkshire

### Radio row

Sir: John Humphrys is not the only radio presenter who interrupts and denies his interviewees the chance to air their views to the listeners. ("Labour at war with Today", 13 December). It is getting worse.

I was desperate for information about the new student loan scheme and was delighted when I tuned in to an interview with Baroness Blackstone by Nick Clarke on *The World at One*. There I was, pen poised to write down the information hotline number which Lady Blackstone had promised us when, to my horror, Nick Clarke interrupted her.

The BBC has become obsessed with antagonism and analysis to the detriment of information.  
BARBARA WILMER  
Ness, Cheshire

Sir: The Harriet Harman interview seemed to me to be an attempt on the part of John Humphrys to get a straight answer. It seems that, when ministers consent to be interviewed, they are instructed to ignore direct questions, and to continue talking over the interviewer.

There can be no justification for an attempt to evade questions by bluster and threats. My pleasure at seeing the backs of the last government, who had forgotten that they were answerable to an electorate, is being rapidly diminished at the prospect that, in power, Labour is fast developing the same traits.

J OSRIN  
London N2

Sir: If the Government pursues its pusillanimous threat to boycott the *Today* programme the losers will be not the listeners but the Government.  
BRIAN MAYES  
Sheffield

### Busy Santa

Sir: Peter Baker ("Keeping Father Christmas fit for duty", 16 December) understates the burden St Claus willingly carries as a patron saint. He mentions children and sailors, but overlooks unmarried women, merchants, pawnbrokers, perfumers and the whole of Russia. Incidentally, night St Claus's longevity is the consequence of having refused his mother's breast on Wednesdays and Fridays.

JOHN EVANS  
Marlow, Buckinghamshire

## The Daily Inexorable, the paper that's polite to its readers!



MILES KINGSTON

Good morning.

And welcome to the only column in any daily newspaper which has the grace to say, "Good morning" to its readers.

Oh yes, there are many columns which will start out by saying: "How long can the Spice Girls last?" or "Come off it, Tony Blair!", but there is only one column which will say a simple "Good morning".

And that is this column. So, this morn (noon?) we say "Good morning".

Because we realise that the old niceties are not to be discarded and that there are people out there who like the old-fashioned exchanges of courtesy.

To them we say: "Good morning, ma'am, or it may be, sir."

We are proud of that.

We are proud of the older readers whose hands are encrusted with marmalade and whose nostrils react favourably to the aroma of bacon fat.

On the other hand we do realise the extreme importance of attracting younger readers.

We know that there are many readers under the age of 40 who, as soon as they hear the phrase: "Good morning, ma'am, or it may be, sir", will throw up.

What they want to hear is a modern, fresh-air greeting such as "Hi there, dude," or "Yo, friend!"

And to them we say: "Hi there, dude," and "Yo, friend!" So, there it is.

To the older readers we say, "Good morning."

To the younger readers we say: "Hey there, dude!"

I think that takes care of the grown-up market, those who are old enough to be allowed to go out and buy a newspaper by themselves.

But what of the under-age market, those who are children of our readers, those who are aged 18 or less? Maybe 15 or less, or even 10 or less?

What of them?

Well, the received wisdom is that people of 12 or under don't buy papers.

That may be right. On the other hand, that may be wrong.

You see, people of 12 or under are already of the mental age to read many of our tabloids. They may be too old

at 12 to read *The Sun*. But other papers they are the right age for.

That is the market that we have to aim at.

The market that one day is going to grow up and say to itself, "Hey, what was the name of that paper that was so nice to me when I was a kid? Indefatigable, Inexorable, Indefensible, something like that?"

So, to that market we say this bright (or dull) morning, "Hi, kids! Hey, I like your haircut! Mark you, I don't like the way you dress or the sound of your music, but you'd hate it if I did, right? Because you can come to me for down-to-earth honesty! This is the newspaper column you can hate as much

as your parents - maybe even hate instead of your parents!"

Phew. Didn't enjoy that much, but had to do it.

That's the kind of column we are.

Of course, saying Good Morning isn't enough. We've got style but we need substance as well. Firm we've got, but where's the content?

Look, we're overflowing with content! Don't forget that this column has blazed its way through the newspaper jungle with a series of facts which were greeted by the *What the Papers Say* awards with complete bafflement.

Don't forget that this is the column that brought Prince Edward out of the Marines. Don't forget that we were

the first ever people who brought you:

- a newspaper column licensed for the performance of marriage actually in the newspaper itself!

- details of the conditions on which Screaming Lord Sutch would form a coalition with Tony Blair if there were a hung parliament at the last election!

- Lord Spencer's real name!

- proof that the jujuba and aloe vera plants do not exist but were invented by the pernicious cosmetics industry!

- compelling evidence that Sir Hugh Trevor-Roper's memoirs were fake!

- a report on a woman's magazine that is so free of sex that a man could read it without hushing!

- the shocking tale of a man who had the operation to become a woman, and then changed sex back to man because women's magazines were so in-your-face!

I think you get the idea. And now this is the point at which we traditionally shyly mention the name of the Christmas book which contains the best extracts from this column, so as to attempt to make it a best-seller.

But there is no such book.

Yes, this is a commercial plug without a product. Remember that, kids.

When you grow up, spend your money on the column that didn't try to take your money from you when you were young.

The exp



DONALD MACINTYRE  
TALKS TO  
THE LORD  
CHANCELLOR

The Japanese



# The expansive realm of Tony Blair's old master



**DONALD  
MACINTYRE  
TALKS TO  
THE LORD  
CHANCELLOR**

Sitting yesterday across the large table in his handsome office in the Lords, I asked the Lord Chancellor whether the real problem was that he was too big for his boots. Nobody doubts the extent of his power. But not everyone likes it. He chairs, sometimes rather brutally, a lot of the most important Cabinet committees. He does not, to put it mildly, hide his light under a bushel. On the one hand, he is admirably qualified for the job, as he well knows. Neil Kinnock would have made him Lord Chancellor. So would John Smith. But as Tony Blair's former pupilmaster and trusted mentor, isn't he rather too powerful for his own good? He is brisk and unfazed. "That is easy to say when I have all these Cabinet committees to chair. I think in the longer term when the current froth dies down, I will be judged by results."

So let's look at some of the froth first. An attack that has riled him exceedingly was the one on the £650,000 sprucing up of his official house in the Lords. He quoted at some length - from a 1986 text conveniently at his elbow - Margaret Thatcher warmly commending the importance of the Palace of Westminster as national heritage and, in particular, her pride in the similar - and at the time uncriticised - refurbishment of the Speaker's House. The equally "exciting" rolling programme of work in the Lord Chancellor's lodgings, agreed as it was before the election by an all-party committee, was no different. This is a famously fine art-loving Lord Chancellor, and it would be furnished for the first time with paintings and sculpture at present hidden in the cellars of country's great galleries - 19th-century works appropriate to Barry's architectural genius. Gibson's great sculpture *Narcissus*, for example, would gaze appropriately down at his own reflection in the Thames and behind it would be Sir Edward Landseer's magnificent portrait of the sculptor. This would be in effect be a "new public gallery on the Thames".

Public? Well, it would, for the first time, be open two afternoons a week to members of the Victorian Society and the



Lord Irvine, 'the workhorse of this Government', in his office yesterday

Photograph: John Voos

National Art Collections Fund, while scholars and other organisations would be able to visit on application at other times.

Did the wallpaper have to cost £59,000? It would cost no more than wallpaper elsewhere in the Palace and would last 40 years. "Even Lord Chancellors are entitled to a lick of paint and some new wallpaper when it's required... it will be within budget. Don't forget it needed to be substantially rewired. It needed smoke alarms. There is a mass of work that simply had to be done for maintenance and to make safe an important part of the Palace of Westminster. And also I'm afraid I think if a job's worth doing it's worth doing well it's not worth doing at all."

Now what of his notorious self comparison with Cardinal Wolsey? He didn't doubt that it would appear in his obituary. But this was not at all, he explains, the hubristic boast it is claimed to be, but a simple joke.

Here the Lord Chancellor sits beside me so that we can pore in detail over both the text of the after-dinner speech in which he made the remark, and the *Times* account of it. He compared himself with Wolsey in a jokey passage about past Lord Chancellors on the one hand and the Star Chamber and he was chairman of a latter-day "Star Chamber". In the shape of the Cabinet committee on future legislation (OFL). He did also say, at the end of this passage, that "some of the earlier Lord Chancellors" illustrated

the fact that "in past centuries the Lord Chancellor had an important wide-ranging role, encompassing politics, religion, the economy and even military affairs." What he didn't do was conflate the two thoughts. But didn't it strike a chord precisely because his relationship to Tony Blair is terrifyingly close to that of Wolsey's to Henry VIII? And that his all-encompassing writ does indeed range over politics, and if not religion, the economy and even military affairs? And that he wields all this power as an unelected politician?

Well, he saw it "rather differently". As chairman of many Cabinet committees, he was rather a "workhorse of this government". His experience of meetings with experts on a wide range of issues over the years made him a suitable chairman of OFL. And "I do actually think if you have practised for 30 years at the Bar in very difficult areas of the law, you do bring, certainly in the area of constitutional reform, a breadth of experience with you which I am enthusiastic to put at the disposal of the Government."

All the constitutional committees he chaired were interlinked; it was sensible to have a single chairman for them. "You mustn't underestimate the huge difficulty of this task. It's very, very major. There has been no equivalent programme of constitutional reform this century."

But hang on. This doesn't quite answer the question. Certainly he has all the qualifications to take on the "huge difficulty" of the task - except

one: nobody had actually elected him.

But, said Lord Irvine, wasn't a Lord Chancellor who was an experienced constitutional lawyer an appropriate person to handle constitutional reform? His predecessor Lord Mackay, who after all had been quite a busy man, hadn't chaired all these committees?

Well, actually, "James Mackay for whom I have very considerable admiration" might well have been the right person to do such a thing - except that such a thing hadn't arisen. And anyway his writ seemed to run

**'The lady who gives me lunch sometimes peels oranges for me. The great public should be well pleased that I'm getting a daily diet of Vitamin C' - Lord Irvine**

a good deal wider than the Constitution. Wasn't he, for example, a very prominent member of PX, the committee on public spending?

Ah well, that was because there was a direct link between the legislative programme and the comprehensive spending reviews under PX. But wasn't the truth that he acted as a sort of prosecuting counsel in these PX sessions with spending ministers? I had heard, for example, that he had treated one Secretary of State just like a prisoner on the dock...

"Which one?" Lord Irvine demanded swiftly. Well, since you ask, George Robertson, Secretary of State for Defence,

No, said Lord Irvine; first, he too had his own appearance before PX - and anyway he and George Robertson were "absolutely the best of friends... But if PX is to do its job properly... if there's any merit in questioning assumptions and received wisdoms, then it's got to its job professionally and vigorously. All my Cabinet colleagues have very broad shoulders."

What about rumours that he bullied staff? "Well, you should go and ask them. I think you'll find that my private office all rather like me."

It was not true - as a news-

of Philip Sales, who just happened to hail from his own former chambers of 11 King's Bench Walk? First of all, this was not his appointment at all but that of the Solicitor General, Charles Falconer, who knew the Bar backwards. "Charlie Falconer will tell you that there was a strong consensus that Philip Sales (a Double First with one of the largest and most impressive junior practices at the Bar in commercial, public and some European law)... was the outstanding candidate."

We now turned to the persistent rumours that he was at virtually permanent loggerheads with Jack Straw and his colleagues at the Home Office. Lord Irvine reached for a sheaf of cuttings to deal with each reported *cassus belli* in turn.

First, a *Daily Mail* report that Straw had scored a famous victory over him by ensuring that CPS lawyers would be able to appear in magistrates' courts without expensive barristers. This was a marginal question - "very small beer" - postponing the big issue of CPS lawyers' right to appear in all levels of the courts. All that had happened was that the original OFL decision to leave the legislation to the next session had been brought forward. "I doubt very much that Jack Straw will be claiming this as some kind of triumph. I take this opportunity to say that I have a good co-operative relationship with Jack Straw."

So given all these reports about his alleged interference, which he strongly denies, was someone out to get him at the Home

Office? "Oh, it's not for me to entertain such unworthy suspicions. Of course I don't."

But wouldn't he, as some of his colleagues have been known to claim, ideally want to preside over a Ministry of Justice, leaving the Home Office as a continental-style Ministry of the Interior? "I think this department is a Ministry of Justice, I think if you put a plaque saying Ministry of Justice on the front door, I don't think anyone would be in the least surprised. But if you ask me if I have irreducible ambitions over the remit of the Home Office the answer is no. I think the secret is effective co-operative arrangements so policy is carried forward by discussion and agreement."

He is clearly proud of the role his Cabinet committee chairmanship played in the White Papers on the European Convention of Human Rights and the much more liberal than expected Freedom of Information Bill - and feels, perhaps, that they have not yet been given the recognition they deserve. He is equally adamant that his planned switch from legal aid to lawyers taking cases on a co-win, no-fee basis is a

great reform whose time has come. When you press him hard over about the widespread fears that the poor may not be able to persuade lawyers to take cases under the new system, there is just the hint of at least one modest concession on the way. First, as he has already made clear, there will be a Public Interest Fund to ensure that cases testing an important principle will still be protected. But he also let slip for the first time that there may be a "hardship" or "hard cases" fund to ensure that if poor litigants are denied access to justice - where they have a 75 per cent chance of success - they can go to court.

On Lords reform, he is not - in accordance with the iron principle that no Bill should be promised until it has been agreed by Cabinet - committing himself to legislation in the next session ending hereditary rights. But that should not in any way be taken as backing off. "Quite the opposite." It's clear that a Bill is still probable. Was there any chance that he would go a tiny way to meeting Tory anxieties - perhaps by allowing hereditary peers a handful of voting representatives but with their heirs precluded from the peerage? He will say only that every option will be considered that doesn't break the principle of Labour's outright opposition to hereditary rights.

Yes, he says, no doubt he has enemies. But everyone does. "I actually believe my relations with Cabinet colleagues are very good." His job driving forward policy on Cabinet committees - every one of which, he says in a typical Irvine-ism, has met its ambitious timetable - puts him in a potentially controversial position.

And look at all these cuttings he has assembled on the table. Isn't he a little obsessive about press criticism? "On the contrary, I am not in the least obsessive about the press. Having been a lawyer all my life I correctly anticipated that you would ask me about all these stories. You're just criticising me for being efficient."

So if Cardinal Wolsey is not the model - "Oh, for God's sake, I thought I'd persuaded you," he interjects with just a touch of asperity - was it more perhaps, as some have suggested, Willie Whitelaw, with his pivotal role in the Thatcher Cabinet? "It's for others to judge whether I'm as avuncular as Willie Whitelaw. I come from an entirely different source, as it were, from Willie Whitelaw. He was a very eminent figure. People tell me I am not eminent."

## The Japanese economic model is no longer roadworthy

Forget about Korea, Malaysia, Indonesia and the other East Asian "tiger" economies; it is Japan we should be worrying about. Even a light reader of newspapers will have been aware that many of the East Asian nations are in financial and economic difficulties, for hardly a day passes without some new dire item of news. For most people, the latest movement of the Bangkok bourse or whether Korea agrees with the terms the IMF is offering for a loan seems irrelevant. We may have learnt a new vocabulary of currencies, such as the baht, the ringit and the won, but the crisis hardly touches our lives.

Japan, however, is different. It is a much larger economy, of course, the second largest in the world. It happens to be an enormous foreign investor in the UK, revolutionising our motor and consumer electronics industries. It is also an economy, a society, which has had a profound practical impact on our daily lives. This is not just because we use the products it has developed every day: its cars, its TV sets, its VCRs, its cameras. It is equally because we have both been attracted by some of its ideas (for example, the emphasis on product quality or the egalitarian structure in factories) and disturbed by others (such as the lack of career opportunities for Japanese women, and the quality of life of many Japanese men).

Until four or five years ago Japan's economic prowess aroused a certain awe: it was the country that

seemed to be buying up most of America, but also the one that seemed to get through the recession without a surge in unemployment. Many people here envied the close relationship between companies and banks, and the education system that funnelled the brightest students into large companies.

Over the past few years, however, this perception has shifted. We are vaguely aware that things are not quite as good as they used to be, that Japan still seems to be in recession, that the banks and securities houses seem to be in trouble. However we have assumed that sooner or later things would perk up, just as they have here and in America - I certainly did, even though my Japanese friends would suck their teeth and explain that things were really still pretty dire.

In the past few weeks it has become clear that things have become still worse. There is a new economic package now being outlined in Tokyo, designed to boost the economy, but it is the third that the Liberal Democrats have introduced and the previous two have failed. Third time lucky, or three strikes and you're out?

The key elements of the package include: a plan to support customers of financial institutions that go under, and tax cuts directed mainly at companies. There are not, however, any cuts in income tax, or any reversal of the rise in sales tax, which went up



**HAMISH  
McRAE  
ON THE FALL  
OF JAPAN**

from 3 per cent to 5 per cent in the spring and was responsible for plunging the economy back into recession this summer.

To understand Japan's problem, think back to the last recession in the UK. We escaped because sterling came out of the Exchange Rate Mechanism and interest rates were cut: the first boosted foreign demand and the second home demand. In Japan there has already been a sharp fall in the currency, but much of the impact of the latest part of the fall has been blunted by even larger declines of other East Asian currencies. So in its fastest-growing markets, the yen's value has actually gone up. Until the autumn Japanese exports were doing very well now thanks to this increased com-

petition from the rest of Asia, plus the fall in demand there, prospects suddenly appear sombre.

At home, demand is flat. Why? Well, in the UK, a cut in interest rates would eventually jack up house buying, and prices, and we would then fill our houses with new things. In Japan, they can't really cut interest rates any more as the official rates are below 2 per cent. The housing market is less fluid, partly because people do not move so often and partly because there are great rafters of regulations which inhibit new building. There is no impetus to spend more on consumer goods because these markets have reached saturation point: once you have four TV sets you do not really want a fifth; if you possess two high-technology loaves (which squirt warm water up your backside) you do not need a third. Besides, there is no room.

It is very easy for an outsider to see how demand in Japan might be stimulated: by having a bonfire of regulations. Perhaps the most damaging are those that affect land use: some, for example, prohibit building larger houses, while others protect inefficient builders and discourage new construction methods. Privately, senior Japanese people admit that the main thing strangling domestic demand is excessive regulation, justified on the grounds of social cohesion. Ultimately, deregulation gives a great boost to an economy, but since in the short-term regulations protect

jobs, progress in lifting them is slow. Until a few months ago it seemed, however, that a consensus was building that Japan had to change, and deregulation is a very large part of that change. You could see Japan in the early stages of a process similar to that which took place in the US and UK, but done in a more consensual way. Gradually, over a decade or more, Japan would bring in transparent financial markets, proper accounting, looser building regulations, privatisation, more entrepreneurship - all the things that have helped to stimulate demand in the US and UK. Japan would change, but without the sometimes searing social tensions that we have had here.

Gradual change would have been fine if luck were on Japan's side. But it isn't. In the past few weeks the collapse of East Asian economies has created a new urgency. The country cannot rely on exports. Somehow it has to jack up domestic demand.

It is funny, isn't it? All the old virtues, the "save, don't spend" culture, the big companies with their disciplined workers, maybe even the social cohesion, if the price for that is heavy regulation - all these virtues now seem to be almost vices. The very things that made Japan successful now seem to be holding it back. They need to be less puritan, more epicurean. Just as 30 years ago we needed to become more like them, now they need to become more like us.

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## Watchdog attacks the Pru's 'culture of non-compliance'

Prudential was yesterday given its second public flogging in less than two months by City regulators angry at a 'culture against compliance' which had led to serious management failure and mis-selling to customers. As Andrew Verity reports, it was the nadir of a nightmare year for Britain's largest insurer, which has been lambasted by regulators, press and Government alike.

In its first important public statement, the new super-regulator, the Financial Services Authority, attacked "a deep-seated and longstanding failure in management which prevented Prudential Assurance from recognising its own shortcomings".

The FSA said the Pru had failed to address and remedy grave defects in the operation of its direct sales force which it had already been warned about. There was, the FSA said, "a cultural disposition against compliance which filtered through Prudential Assurance's branch offices, their managers and advisers".

The Pru had been more concerned with the cost of complying with the Financial Services Act than it had with the interests of its customers, the regulator said. Sales people at Prudential Assurance, the corporation's life insurance subsidiary, had conducted mis-selling while its management had failed to put in place procedures and controls designed to protect customers. The Pru had failed to keep important information about customers and their financial aims and failed to give customers all the right information. It had not acted with due skill, care and diligence and had failed to arrange its compliance properly.

"Prudential Assurance's conduct has fallen substantially below the standards that the public have a right to expect from a regulated firm," the FSA statement said.

The mis-selling referred not to personal pensions, for which the Pru has already been scolded, but to a further arrangement, a with-profits endowment plan called the

Prudential Savings Account. Salespeople sold the product despite the fact that non-taxpaying customers would be taxed more heavily than with an alternative such as a PEP.

The revelation of fresh mis-selling by the Pru, which first surfaced in *The Independent* last May, followed a January compliance visit in which regulators complained they were shadowed by Pru compliance staff who gave hand signals to warn staff when not to speak.

The Pru, which in May insisted mis-selling of the Savings Account was confined to its Sheffield branch, is now understood to have been forced to extend an internal investigation of the mis-sold product to its entire sales force. Management consultants McKinsey have now been brought in to shake up the company.

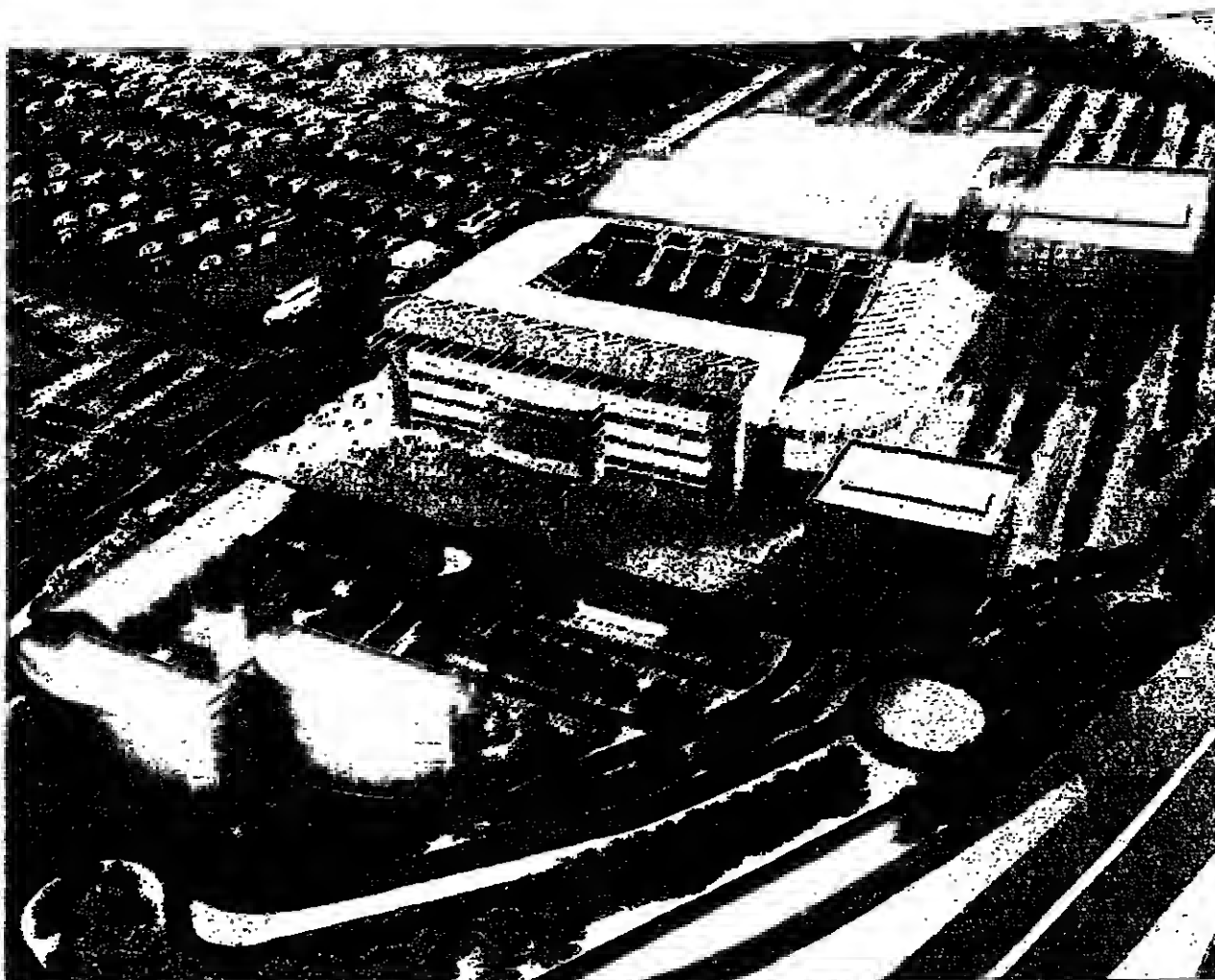
The then compliance director, David Linnell, was replaced by Martin Brownstein in March and later left the company in May - a departure which the company insisted was amicable and unconnected to mis-selling allegations.

Further casualties - viewed by some industry observers as fall guys - followed. Jim Sutcliffe, then chief executive of Prudential Assurance, left the company suddenly in September following a disagreement with group chief executive Sir Peter Davis over a radical restructuring plan, thought to have been prompted by continuing regulatory attacks.

Soon after, the insurer was publicly attacked by Helen Liddell, economic secretary to the Treasury, and the FSA's predecessor, the Securities and Investments Board, over its failure to compensate victims of pension mis-selling, many of whom were overlooked because they had died.

John Elbourne, Mr Sutcliffe's number two at Prudential Assurance since November 1996, yesterday offered a contrite acknowledgement of the Pru's failure in its duty to customers, saying the company was working "extremely hard to ensure problems can be put behind us". He said: "I still believe that the people at the Pru want to be compliant. I think they generally felt they were doing all the right things."

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Football club for the future: Leeds United Holdings' vision of its new state-of-the-art £40m arena

## Caspian unveils huge Leeds arena plan

Caspian, owner of Leeds United football club, yesterday unveiled plans to create the biggest sporting and entertainment arena in the country after Wembley. Leeds is spending £40m developing a huge arena next to its Elland Road ground. The new complex will open by 2000 and hold at least 180 events a year. The 14,000-seater arena will show Leeds Lasers Superleague ice hockey games and basketball matches. The rest of the time it will be host to pop concerts, entertainment extravaganzas on ice, hit theatre shows and conferences and exhibitions. City analysts estimate the arena's box office could take around £15m a year, similar to Manchester's huge Nynex centre.

Situated between the M1 and M62 motorways, the 50-acre scheme will include a new 200-bedroom hotel and a range of themed bars and restaurants. Caspian is opening talks with hotel and drinks groups to build the facilities and its bankers to finance the deal. The plans also involve the

redevelopment of the West stand at the Elland Road stadium, which will increase the ground's seating capacity from 40,000 to 45,000. Lengthy delays in agreeing the deal were linked with the departure of Robert Lund, Caspian's former chief executive. However, Leeds Council has finally agreed to let Caspian acquire the majority of the 50-acre site for £11.3m. The deal includes the acquisition of the freehold of Elland Road and the arena site which is currently a car park. The group plans to take control of the rest of the site shortly. Caspian is changing its name to Leeds United Holdings, reflecting the importance of the new scheme.

Chris Akers, Leeds chairman said: "This is a big club with a big name. Our aim is to create one of Europe's leading sports, leisure and media groups."

Caspian made a pro-forma loss of £6.2m for the year to June, having spent a net

£11.8m on new players and incurring a 12 per cent rise in its wage bill. Since the year end it has also splashed out another £3.5m on players but said it had more money to strengthen manager George Graham's squad.

Caspian confirmed plans to set up its own pay-TV channel by the start of the next football season. But it has not chosen which broadcaster to team up with and is still in talks with several parties including Granada and BSkyB.

Leeds continues to talk with other clubs on the Continent to create a joint merchandising and media business. It also hopes to sign a deal soon with a Far East group to distribute its club merchandise in Asia.

Leeds plans to take advantage of the growing popularity of its internet website by selling advertising. The site has already attracted 1 million internet surfers a week.

— Andrew Yates

## Bass sells off 1,400 pubs in £564m deal

Bass announced yesterday the sale of most of its tenanted pub estate for £564m as part of the massive restructuring of the group which will see it launch a £850m share buy back and still have room for a £1bn-plus acquisition. Andrew Yates reports on a deal which brings together two of the most successful figures in the restaurant industry.

Bass is selling 1,428 pubs to Roger Myers, who created Pelican, the Cafe Rouge and Dome restaurant group and Hugh Osmond, one of men behind the success of Pizza Express.

The pair are poised to embark on a shake-up of the estate involving the creation of several new pub restaurant brands and themed bars.

Mr Osmond said yesterday: "Brewers have been spending money expanding their sexy pub managed while the tenanted estates have been neglected. Some of these pubs have not been changed for 20 years. There are a lot of opportunities to improve their performance."

Bass has now raised a total of £800m in the last few days with the sale of the pub estate coming hot on the heels of the disposal of its Gala bingo business. It plans to buy back £850m of its shares, or 11 per cent of its market value. However it still has a sizeable war chest and is understood to still be looking for hotel acquisitions in the Far East.

Bass will now concentrate on expanding its managed pub estate, and rolling out brands such as All Bar One and its O'Neill's Irish bars.

City analysts believe that Bass got a good price for the pubs and its share price rose 4p to 899p yesterday.

Mark Pulek, drinks analyst at Merrill Lynch said: "Bass could still easily go out and spend £1bn tomorrow if it wanted to. It has done well to get out of two of its two weakest businesses for a good price."

However some City observers believe that the decision by Bass to give money back to shareholders suggests that it has run out of acquisition targets. "It is a surprise they gave this money back to shareholders so soon. It shows that they could not find anything else to spend it on," said one analyst.

Mr Osmond has made several million pounds from selling shares in Pizza Express and My Kinda Town, the Henry J Bean's group he was also involved with. Now he has put most of this personal fortune into the pub venture. "I haven't got much left," he said.

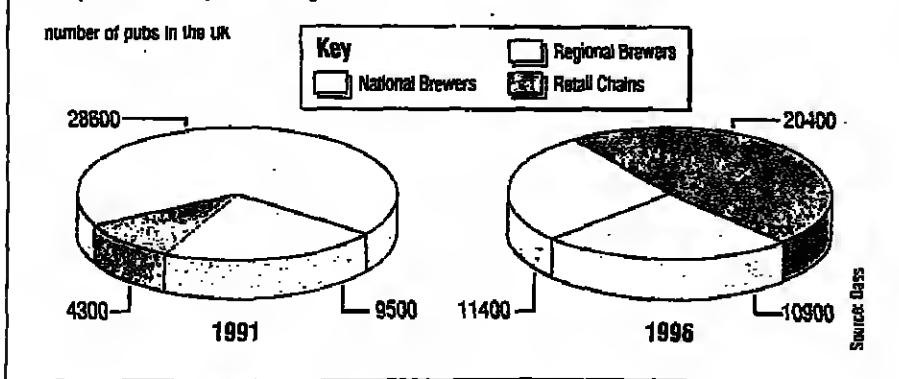
Luke Johnson, Mr Osmond's partner at Pizza Express, is also taking a stake in the business. Mr Osmond is expected to step down as an executive director of Pizza Express to concentrate on the new pub business.

He will be joined at the new pub company by Alan McIntosh, who worked with Mr Osmond on the flotation of Topps Tiles earlier this year and was described yesterday as "a good old Scottish accountant". The partners are backed by BT Capital Partners, the private equity arm of Bankers Trust, and the new pubs are likely to be added to the 845 strong Phoenix pub estate Mr Osmond bought from Nomura, the Japanese banking giant, last month.

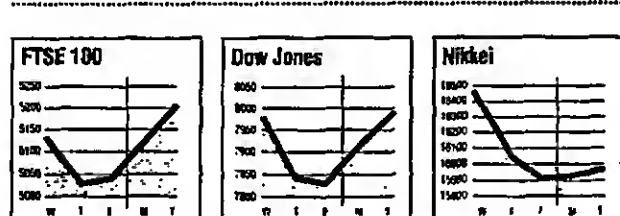
Randy Shure of BT Capital said: "The brewers are nearly at the end of their disposal programme and they have saved the best for last. The business is a tremendous cash cow and we believe we can create real growth by putting the cash back in the business." The new group is likely to be floated on the stock market within five years.

Outlook, page 21

### Last orders how pub ownership has changed



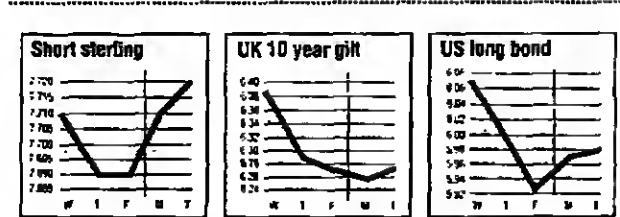
### STOCK MARKETS



Indices

Index	Close	Change	Change (%)	52 wk high	52 wk low	Yield (%)
FTSE 100	5203.40	81.60	1.59	5367.30	3970.80	3.36
FTSE 250	4757.00	-5.00	-0.13	4963.80	4358.30	3.48
FTSE 350	2483.10	31.10	1.26	2570.50	1973.90	3.38
FTSE All Share	2431.52	38.41	1.58	2507.68	1949.45	3.38
FTSE Smallcap	2298.80	-1.10	-0.05	2407.40	2127.50	3.44
FTSE Medcap	1256.20	1.30	0.10	1346.50	1203.60	3.41
FTSE AIM	973.70	-0.50	-0.05	1136.00	866.50	1.11
Dow Jones	7958.95	75.35	0.95	8288.00	6236.00	1.71
Nikkei	15885.21	75.82	0.48	16910.79	14956.13	0.96
Hang Seng	10346.38	-88.77	-0.85	16820.31	8775.88	4.10
Dax	4083.97	23.53	0.59	4458.89	2802.83	1.99

### INTEREST RATES



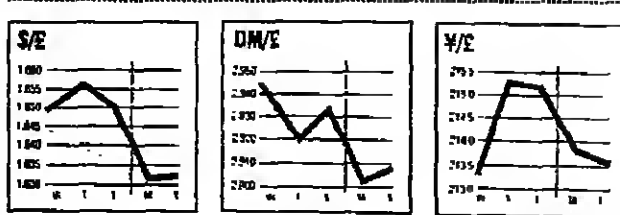
Money Market Rates

Rate	3 month	1 year	1 yr 6m	18 mth	1 yr 2yr	1 yr 3yr
UK	7.75	7.34	7.75	0.87	5.28	5.24
US	5.91	0.38	6.00	0.24	5.79	5.98
Japan	0.75	0.91	0.72	0.14	1.91	2.53
Germany	3.75	0.51	4.04	0.74	5.29	5.86

### MAIN PRICE CHANGES

Rises	Falls
Hydromed Amer 2255.00 180.00 8.53	Dents Bus Syst 217.50 -292.50 -57.35
Abbey Natl 1147.00 90.00 8.51	Alfa Romeo 118.00 -7.00 -5.90
Lasmo 285.00 20.00 7.55	Boc Companies 565.00 -27.50 -4.84
Perini and Ortiz 895.00 39.00 5.95	Securix 294.00 -13.00 -4.23

### CURRENCIES



Other Indicators

Indicator	Close	Change	Tr. Ago	Index	Close	Tr. Ago	Real Ago
Brent Oil (\$)	18.64	-0.08	23.58	GDP	113.90	3.80	108.73
Gold (\$)	285.45	1.70	368.10	RPI	159.80	3.70	153.91
Silver (\$)	5.81	-0.12	4.81	Basil Rates	7.25	6.80	

www.bloomberg.com source: Bloomberg

## British Gas set to press ahead with price cuts

The gas watchdog, Ofgas, looks set to give British Gas the green light next week to press ahead with controversial selective price cuts which will see 1 million low income households largely excluded from reductions. Clare Spottiswoode, the regulator, is thought to be keen to reach a conclusion on the price package before British Gas plans to implement the cuts on 12 January. Ofgas will give its provisional ruling on the price cuts before Christmas, though the document is unlikely to appear until next week.

Centrica, the demerged British Gas supply business, has proposed cuts of around 9 per cent, worth to £28 off the average bill, for 16 million homes which pay by direct debit or settle their accounts promptly. The reductions are the result of drop in transportation charges paid to Transco, the pipeline network. However the proposals would see charges frozen for 1 million homes which use prepayment meters, with very small reductions for further two million low income households. British Gas said it would wait for the outcome of the Ofgas probe into prepayment meter charges, but is understood to have asked the regulator to widen the price gap with direct debit customers.

Next week's consultation paper will clear the main price cuts to most homes and is expected to endorse British Gas's claim that prepayment meters cost much more to run. The decision would face strong criticism from the Gas Consumers' Council (GCC), which has lobbied to reduce the disparity between different types of customer. John Battle, the industry minister, has also made clear the government's concern that domestic energy competition should not lead to an increase in "fuel poverty".

It also emerged yesterday that the GCC has complained to Ofgas about new concerns over domestic competition trials in Scotland and the North-east of England.

The GCC said it had received 963 complaints from customers who had switched from British Gas to new suppliers, of which almost 400 involved Eastern. One of the largest independent gas companies. The GCC said some homes had asked to cancel contracts, but had been moved to new suppliers against their will.

## National Express told to shed Scottish coach group

Margaret Beckett, the President of the Board of Trade, has a reputation for championing competition over commercial interests. But, as Randeep Ramesh reveals, yesterday's report by the Monopolies and Mergers Commission (MMC) into National Express' rail and coach empire saw her instincts snubbed.

National Express Group (NEG) would have to sell off its £1.2m Scottish Citylink operation, which provides long-distance coach services north of the border, Mrs Beckett said. The company runs ScotRail, which operates train services in Scotland.

The decision followed publication by the MMC's report, which concluded there were nine routes where subsidiaries of National Express operated coach services that overlapped with ScotRail train services and that might be expected to lead to "an increase in coach fares compared with current levels".

The MMC also decided that National Express owning Central Trains, which ferries passengers around the West Midlands, and operating local bus services in the area did "not operate against the public interest".

The MMC report vindicates the officials at the Office of Fair Trading (OFT). Just three weeks after taking office, Mrs Beckett flexed her regulatory muscles by overruling John

Bridgeman, the director-general of Fair Trading, and referring the two National Express acquisitions.

Mr Bridgeman advised that neither the takeover of ScotRail, the train company that runs services north of the border, nor that of Central, a franchise which ferries passengers around the West Midlands, should be sent to the MMC.

The OFT said that the ScotRail acquisition should be referred only if National Express did not divest itself of its coach company Scottish Citylink - a move which the panel of experts at the MMC endorsed.

NEG will not lose any sleep over the decision. Last year the group made a record profit of £62m on a turnover of £480m. Scottish Citylink contributed a pre-tax profit of £1m on sales of just £12m. ScotRail received nearly £300m from the Treasury this year to run services.

NEG executives were pleased with the decision concerning Central Trains. "The Government clearly recognises the benefits that we are achieving from an integrated transport system," said Colin Childs, NEG's finance director.

Mr Childs said he was "disappointed" by the MMC's decision on Scottish Citylink. "We would have preferred some sort of behavioural undertakings," he added.

Citylink will now be sold to a buyer within the next six months and it will be allowed to increase its scheduled coach services within Scotland for the remainder of the ScotRail franchise agreement.

## Jazz FM owners to bid for Melody Radio

Golden Rose Communications, owner of the radio station, Jazz FM, is understood to have put in a bid for Melody Radio, the London station controlled by Hanson.

Hanson, which has been refocusing on building materials, put Melody up for sale last month, and a number of companies submitted bids at the end of last week. Melody, an easy listening station which broadcasts on FM, would be worth around £18m, and would present Golden Rose with an opportunity to extend its jazz brand.

Other bidders could include Capital Radio, which last week lost out to Chris Evans' Ginger Productions in the battle for Virgin Radio. GWR, Scottish and Chrysalis are also possible contenders. Richard Whentley, group chief executive of Golden Rose, would not comment on Melody, but the company has made no secret of its desire to grow through licence applications and acquisitions.

Mr Whentley yesterday unveiled losses before tax of £987,400 for the year to the end of September. Last year's profits of £257,600 were inflated by a £3m gain from the sale of Viva!, the

ailing women's station. Operating losses were reduced from £2.5m to £1.1m.

Golden Rose has been extending the Jazz FM brand into related merchandise such as records. A new double album compilation is due out in January, to co-incide with a big marketing campaign for the station. A themed restaurant in Liverpool, the Café Jazzbar, opened in April. Further restaurant openings - part of a joint venture with Regent Inns - will follow next year in London and the North-west, where Jazz FM broadcasts.

Mr Whentley, who joined Golden Rose two years ago, at a time when the group was suffering from its decision to set up Viva!, said yesterday he was pleased that the operating losses had been reduced.

The London Jazz FM station grew revenue by 25 per cent, while advertising sales in the North-west franchise were seven per cent higher than in the previous year. Sponsorship income meanwhile increased by 184 per cent to £704,000, and several blue-chip companies became sponsors of the two stations for the first time.

— Cathy Newman



British Gas  
to pre  
lead with  
ice cuts



## OUTLOOK ON THE FSA'S CENSURE OF THE PRUDENTIAL TWO TEST CASES OF COMPETITION POLICY, AND THE MINIMUM WAGE

# About as damning as it comes for the Pru

The wheels of officialdom grind slow but the wonderful thing is the way they usually get there in the end. Yesterday's public censure of the Pru over the antics of its 5,000 strong direct sales force by the Financial Services Authority, is about as damning as they come.

This partly reflects the inability of the FSA to levy fines on those whose conduct falls below acceptable standards. In the absence of an exemplary fine to demonstrate the degree of its unhappiness, the FSA is prone to throw both the book and the sausage, calculating that the damage to commercial reputation will be just as grave.

Think of a financial instrument - life assurance, unit trusts, pensions - and the Pru sells it. Think of a regulatory shortcoming and the Pru has been guilty of it - failure to train, deep seated and long-standing management failures, a cultural disposition against compliance, unsuitable sales, failure to remedy previously identified defects. You sort of get the picture.

The man from the Pru, Sir Peter Davis, has been preparing for the onslaught since the FSA's hit team went in last January appointing compliance directors, overhauling the structure of the business and finally throwing Jim Sutcliffe, head of the domestic life assurance business overboard in September and taking direct control of the UK retail businesses himself. As a final olive branch, he even volunteered to join the Personal Investment Authority, something his predecessor, Mick Newmarch could not bring himself to do.

But the question that is rather left hang-

ing is whether Sir Peter could and should have acted earlier. By May of next year he will have been at the Pru for three years. Many of the shortcomings that the FSA identified in January were the same failings it had noted in 1995 and 1996. The reason for yesterday's public censure lies in the Pru's failure to act on a stream of earlier warnings.

If there is a fig leaf in the statement of censure it is the FSA's acknowledgement of the wide-ranging corrective action embarked on by the present management. This was enough to lift the spirits of the market, which took it as a clean bill of health for the oen look Pru and decided to ignore the FSA's more ominous reference to "the extent to which redress is appropriate" in respect of past business which has been misfold.

This is a long way from a ringing endorsement of the new regime. The Pru and Sir Peter have been put on notice that further failures on the scale of those which have previously taken place will not be tolerated. Now that it is part of the PIA, the Pru can be fined and now that Sir Peter has taken personal charge the buck will stop with him.

## Mrs Beckett scores one out of two

It was a day of mixed fortunes yesterday for Margaret Beckett. The President of the Board of Trade must rightly have felt

rather pleased with herself as she woke up to the news that Bass is selling off 1,428 pubs - the best part of one-third of its estate - to a trio of entrepreneurs best known for bringing pizzas and French fast food to the masses.

She may have been feeling a little less sprightly when the Monopolies and Mergers Commission's report into the National Express takeover of two rail franchises was published a few hours later.

To take brewing first, Mrs Beckett has now been vindicated entirely in her decision to block the Bass takeover of rival brewer Carlsberg Tetley, a deal which would have given it almost 40 per cent of the market.

In order to obtain regulatory clearance, Bass had offered to dispose of a large chunk of its pub estate. However, yesterday's deal suggests it was contemplating such a move anyway for commercial reasons. Add in the rationalisation of brewing capacity that has also taken place since the block was put on Bass and the picture is one of a more efficient production and more competitive retailing of beer without the need for one company to control four in every ten pints pulled.

The MMC's decision to wave through National Express's acquisition of Central Trains and ScotRail provided it disposes of its competing Scottish bus company, Citylink, makes less pleasant reading. Mrs Beckett referred both bids against the advice of the Director-general of Fair Trading, John Bridgeman. In the case of ScotRail, he actually suggested that any con-

cerns could be overcome through the sale of Citylink. All in all, then, Mrs Beckett has wasted six months of everyone's time.

## Maximising benefits of minimum wage

Most reasonable people can accept that there is a good case to be made for the introduction of a national minimum wage. The arguments, as the Commons demonstrated yesterday when the Government's Bill had its first reading, concern the specifics. One issue is the level. Is the low pay commission going to recommend something closer to the unions' bizarre target of half median male earnings of above £4? Or to the employers' pitch for something less than £3.50?

The answer matters because the impact of a minimum wage on jobs depends very precisely on how its level compares to how many employees are worth to their employers. Sometimes the introduction of a minimum in low-paid areas can actually increase employment by improving the incentive for people to take jobs. This is precisely what the Chancellor wants it to achieve.

Too high a level, on the other hand, will cost some low-paid workers their jobs. If their pay reflects their productivity, a higher minimum wage will price them out of work. This problem is most likely to arise with young and inexperienced employees whose productivity is genuinely low. The evidence from

economic research in several countries is clear: too high a minimum for people in their late teens and early twenties can dramatically raise youth unemployment.

This is why some members of the Government and low pay commission are in favour of an exemption for young people. Apart from anything else, it would make the welfare-to-work programme for young people more expensive and less effective if they had to be paid too high minimum wage.

The economics dimensions of the choice are clear. Either there has to be a youth exemption to the national minimum or the level must be set low enough not to price young people out of work. The former looks unfair and is politically unattractive. The latter makes the policy less effective for the rest of the workforce.

A likely compromise is to link an exemption for the under-26s to the provision of training, which would make it clear why they did not yet qualify for the minimum. The trouble with this is that it is much harder to police - any canny employer would set up a training programme that satisfied the letter of the law, and the potential for disputes would be enormous.

So the hard choice facing the Government is economic and administrative common sense versus political practicalities. But so important is it to Gordon Brown to demonstrate that he is getting more people into jobs that he is unlikely to opt for a version of the minimum wage that risked putting young people out of work. The economists will win this one.

# Burton reveals chief at Debenhams made £2m profit on shares

The chief executive of the Debenhams department stores, which are set to be demerged from the Burton Group next month, received £2.63m last year including salary and profits from share options. However, as Nigel Cope, City Correspondent, reports, the sale was due to personal reasons and does not reflect his view of Debenhams' prospects as a separately quoted company.

Terry Green made a profit of almost £2m on share options cashed in last March, according to the Burton annual report published yesterday. This was in addition to his annual pay of £662,000, a rise of almost 16 per cent.

However, the company denied that Mr Green's decision

to sell almost all his options reflected a lack of confidence in Debenhams' future prospects. It is understood that Mr Green was recently divorced and has bought another house.

Mr Green, and the rest of the Debenhams board, will be allocated fresh share options in Debenhams though the levels have not yet been announced. Other Burton directors will be able to carry over their share options. The biggest beneficiary is John Hoerner, the Burton chief executive who will be the chief executive of Arcadia, the re-named multiples business. He holds options worth more than £3m.

It also emerged yesterday that Peter Jarvis, the former Whitbread chief executive who will be the non-executive chairman of Debenhams, will be paid an annual salary of £170,000 for two days' work. Mr Jarvis defended the pay package, saying it had been decided by the remuneration committee. The annual report also showed that Stuart Rose, who left Burton after failing to

win a top job in the de-merged group, was paid compensation of £582,000.

The details came as the listing particulars of Debenhams were published. These showed that Mr Green would be paid £350,000 as chief executive. The four executive directors will receive an annual bonus of approximately two thirds of their basic annual salary. The share split will see Burton shareholders receive one Debenhams share and two shares in Arcadia for every eight Burton shares held.

Debenhams plans to spend £350m on store modernisation and open 10 new stores over the next five years. It will introduce more designer brands and hopes to improve still further its margins which already stand at 10 per cent.

An emergency meeting to vote on the de-merger will be held on 22 January. Shares in the two companies are expected to start trading on 26 January.

Burton shares edged 2.25p higher to 143.25p



Debenhams duo: Terry Green, chief executive (left) and Mathew Roberts, finance director

Photograph: Rui Xavier

# Jobless rate divides expert opinion

Unemployment can fall further from its current 17-year low without re-igniting inflation, according to some optimists about improvements in the jobs market. Not so, says a new report which claims the jobless rate has got as low as it can. Diane Coyle, Economics Editor, reports on the controversy.

Unemployment below the current rate of 7.1 per cent would be unsustainable, even though the threshold below which falls in joblessness trigger inflation has fallen in the past decade. The evidence for this claim, in a report published today by the Employment Policy Institute, will disappoint those who have argued that deregulation and flexibility in the jobs market have significantly reduced the "structural" unemployment rate.

With figures due today likely to show both the headline rate and the more reliable survey-based measure of unemployment still falling, the optimists will point to the fact that pay rises have remained low despite the tight jobs market. Economists expect average earnings growth to have picked up slightly, but it will remain at around 4.5 per cent despite the fact that unemployment has fallen to its lowest for 17 years.

The authors of the new report, Ray Barrell and Rebecca Riley of the National Institute of Economic and Social Research, say this is due mainly to the effect of the strong pound in keeping pay and price rises low. This, rather than a fundamental change in the structure of the jobs market, accounts for the surprisingly subdued wage growth, they say.

This is not to say that the sustainable unemployment rate has not fallen at all. Looking at long-term flows into and out of unemployment, the paper puts it at around 7 per cent now compared to 8.9 per cent during the 1980s. The improvement is due mainly to an increase in the size of the skilled workforce since the late 1980s. The effort to get more young people into higher education has significantly increased the number of graduates entering the workforce - a conclusion that will cheer the present Government, which is also emphasising the importance of education and training.

# Second-attempt at float to value Monsoon's founder at £300m

Former encyclopaedia and marketing salesman, who started his retail career selling Afghan coats in a London market, will be worth more than £300m when his Monsoon fashion chain comes to the stock market early next year. As Nigel Cope, City Correspondent reports, it is the group's second attempt at a float.

Peter Simon, who founded Monsoon in 1973, owns 96 per cent of the group, which is expected to be valued at around £350m when it comes to the main market. He will be selling a quarter of his stake, realising £87m, but says he does not really need the money.

"I'm not broke now," he said. "I'm not going to go on a great spending spree. I have simple hobbies, like sailing. But I'm not into big boats."

Monsoon pulled its float in July last year after a disagreement with

its broker BZW. The dispute centred on Monsoon's largest shareholder, the Malta-based Sycamore Trust, which then held 67 per cent of Monsoon's stock.

That trust has since been disbanded with the stake acquired by two Guernsey-based trusts operated on Mr Simon's behalf.

NatWest Markets is acting as the company's broker this time and the value of the business has soared from its £250m valuation 18 months ago.

Monsoon was founded by Mr

Simon, 48, who was born in Sri Lanka during a monsoon - hence the name.

The first store opened in London's Beauchamp Place, specialising in garments sourced from the Far East. He had discovered the shirt, a cross between a sheep and a goat on a trip to Gozo. Local workers developed a shaggy coat which Mr Simon began importing to Britain.

Monsoon now has 103 stores in the UK and a further 24 overseas, selling women's clothing, accessories and childrenswear.

Mr Simon said that Monsoon planned to open around 30 new stores a year and could double in size without saturating the market.

Monsoon also owns the Accessorize format, which sells fashion accessories such as jewellery, hats, and cosmetics. It has 179 branches, of which 103 are within branches of Monsoon. The Accessorize chain has four stores overseas.

The group made operating profits of £25.4m on sales of £107.9m last year. It has increased trad-

ing profits in each of the last 12 years. No new money is being raised via the float and Monsoon's staff and customers will not be able to buy the shares until after it has floated as the shares are only being placed with institutions.

Mr Simon said that he would have liked to have come to the market via an open offer but that the group's financial advisers had said it would prove too costly.

Mr Simon said the float would enable Monsoon to retain and attract top managers.

# Government reforms cheer South Korean markets

South Korea's stock market and currency continued their cautious recovery yesterday, as confidence grew in the government's resolve to carry out the economic reforms agreed as part of the rescue package from the International Monetary Fund (IMF). Share prices plummeted last week, after the leading candidate in tomorrow's presidential election, Kim Dae Jung, said that he would renegotiate stringent conditions attached by the IMF to its \$57bn bail-out. He reversed his position over the weekend, and since then the Korean government has taken a series of market opening and liberalisation measures.

The Seoul stock exchange's composite index rose 4.78 per cent to 404.26 yesterday, despite news that a large pharmaceutical company, Shin Poong, had been suspended from trading after it defaulted on repayments.

The Korean won closed at 1,425 to the dollar compared with 1,564 on Monday, when the government lifted the trading band and allowed the currency to float freely.

The most immediate causes of market optimism were a series of financial reform measures announced by the government in compliance with the IMF agreement.

# Overseas investment in UK continues to rise

Foreign investment in the UK surged for the fifth year running in 1996, according to official figures, although new UK investment overseas fell below the previous year's level. The statistics will comfort those who feared the Asian crisis spelled doom for inward investment prospects. Diane Coyle, Economics Editor, explains.

New direct investment by foreign companies in Britain amounted to £16.1bn in 1996.

This was the highest inflow since 1990 - and a £3.4bn increase over the previous year despite the first leg of the pound's rise against other currencies and growing concerns about Britain's opt-out of the single European currency.

The pattern of flows reveals that European investors have become increasingly more important to the UK compared with both Asian and American investment. Despite their high profile, Japanese and other Asian projects have amounted to only a small part of the total.

The rise took total foreign investment to £139.9bn, and increased foreign companies' earnings in the UK to a record £14.4bn.

Luckily for the balance of payments total, British companies earned much more from their investments overseas. Earnings rose by £3.4bn to £27.3bn in 1996.

However, the rise in new UK investment abroad was 20 per cent lower than the record level it had reached in 1995, at £22bn. This took the total to £209.1bn - still in excess of the value of British assets owned by foreign companies. Britain remained one of the world's biggest outward investors as well as one of the biggest recipients of inward investment.

There was a substantial fall in British investment in North America last year, although investment in other European

Union countries and developing countries increased. The Netherlands was the most popular destination for British businesses, followed by France, emphasising the growing importance of the European market.

European companies in turn increased their stake in the UK, led by the Netherlands and Switzerland. New investment by American companies diminished, although the US continued to be the biggest investor with an inflow amounting to £7bn.

Japanese investments in the UK had a book value of just over £8bn at the end of last year, on which Japan earned just £147m during the year.

Japanese inward investment has been far lower than, say, Australian investments during the past five years. But 1996 did see a new inflow of £390m from Japan, clearly offsetting a £379m reduction in investment the previous year.

High-profile projects by other individual South-east Asian countries remained too small relative to the total to register in the aggregate figures, but new inflows from all the other Asian countries excluding Japan added up to £319m, well above 1995's increase of £190m. This left their value at the end of last year at £2.5bn, or about the same as the value of Swedish and Danish investments in Britain.



## THE INVESTMENT COLUMN

EDITED BY PETER THAL LARSEN

### Decision time over Burton

It is nearly time to make your mind up for shareholders in Burton Group. The merger of the Debenhams department stores will take place in a month's time and investors, who have already been advised by this column not to sell ahead of the split, now need to decide whether to hang on to shares in Debenhams, the remaining multiples business, to be renamed Arcadia, or both.

Following the demerger, shareholders will receive two Debenhams shares and one Arcadia share for every eight Burton shares held. After yesterday's publication of the listing particulars, analysts were upgrading their estimates of the relative valuations. Some are targeting a price of 172p for the two parts, compared with yesterday's closing price of 143.25p, up 2.25p. They value Debenhams at 112p – a 15 per cent premium to the market – with Arcadia accounting for the remaining 60p. The choice for investors is between Debenhams, a highly rated business with a solid track record, and Arcadia, which potentially has more upside but also carries more risk as its record is patchy.

Debenhams certainly looks the safer bet. Its margins are already running at 10 per cent and every additional percentage point gained adds another £10m to profits. The chief executive, Terry Green, reckons there is much more to go for. He plans to boost profits by rationalising the supplier base as well as cutting back on discounting to spend more weeks of the year selling at full price. A £350m capital expenditure programme will pay for 10 new stores in the next five years and upgrade the remainder of the 88-strong chain.

At the multiples business, which includes Top Shop, Principles and Dorothy Perkins, the challenges are greater. Margins are only 5 per cent and the chief executive, John Hoerner, is likely to shuffle the store portfolio by converting less profitable formats into the fledgling Racing Green brand. Mr Hoerner also wants to shift selling space towards womenswear, which already accounts for 60 per cent of sales.

The challenge will be to avoid the problem which has dogged the multiples in the past, which is that whenever the difficulties of one format are

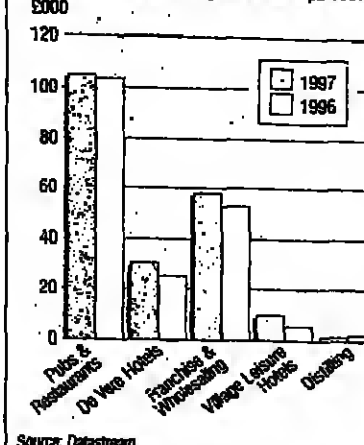
### Greenalls: At a glance

Market value: £1.25bn, share price 422.5p (+14)

Five-year record	1993	1994	1995	1996	1997
Turnover (£bn)	0.60	0.72	0.77	1.15	1.14
Pre-tax profits (£m)	68.0	74.8	100.7	117.4	137.7
Earnings per share (p)	29.4	26.6	36.9	32.1	35.9
Dividends per share (p)	12.36	13.10	14.20	15.40	16.71

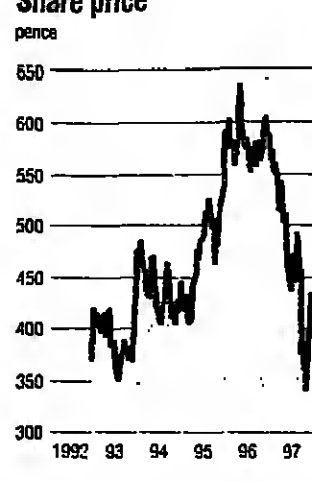
### Operating profit

By class of business, for year ended Sept. 1997



Source: Datastream

### Share price



resolved a fresh set of troubles seem to emerge elsewhere.

So hang on to shares in Debenhams, even though the valuation could soon look quite full. Arcadia, with its weaker brands, is more for braver souls who are seeking a recovery play.

### Green shoots at Greenalls

Investors in Greenalls breathed a sigh of relief yesterday. Growing concerns that its pub estate in the North-west was going from bad to worse following a warning on summer trading, had sent the share price spiralling downwards in the last few months. But Greenalls' announcement that sales are beginning to recover calmed traders' nerves and the shares jumped 14p to 422.5p.

Nevertheless, Greenalls' problems are far from over. It is increasingly clear that the group paid too much for the Boddington pub estate two years ago.

It has been saddled with more than its fair share of poor houses, which are struggling to compete with the themed pubs that are springing up around the country.

That said, Greenalls is doing the right things to overcome the difficulties. Having been guilty of under-investing in its own brands, the group is doing all it can to catch up. It has sold off some of its worst pubs and the policy of shifting some of the poorly performing managed outlets to its tenanted estate is already paying off.

Even so, the investment will take time to bear fruit and Greenalls may have difficulty getting good locations in the scramble for new sites. All this means the short-term earnings outlook for the pub estate remains subdued.

Greenalls' leisure businesses should more than make up the slack. Its De Vere hotel operation and travel lodges are going great guns, buoyed by the upswing in the provincial hotel market which still has some way to go. The Village Leisure hotel and health club business is another jewel, and a chain

of fitness clubs is on the way. Analysts forecast current year profits of around £170m, putting the shares on a prospective p/e ratio of less than 10. If Greenalls' management fails to come up with the goods, industry predators are lurking. Good value.

### Pound hammers Kenwood

Shareholders in Kenwood must be fuming. A year ago, the troubled electronic appliance maker received an informal approach from Pifco, its smaller but more successful rival. At the time, Kenwood's shares traded at around 200p. The talks broke down, however, and since then Kenwood's shares have plummeted. They closed down 6.5p at 111.5p yesterday.

Not that Kenwood can complain. Interim results showed a 16 per cent slide in sales and operating profits. Chief executive Colin Gordon, the former Grand Met man who took over in February, argues that the strong pound wiped £1.4m off profits. Given that the currency is actually squeezing export sales – rather than just reducing the value of overseas earnings – this amounts to saying that Kenwood would be fine if only it wasn't doing so badly.

To be fair, Mr Gordon seems to have the right idea. He's farming out basic manufacturing to subcontractors, cutting unprofitable lines, and hiking prices for the more popular products. This should have been done five years earlier, but that's hardly his fault.

Is this a turning point? Certainly, margins should pick up as cost-cutting and price increases feed through. But any recovery will be slow and painful. Currencies will continue to hurt and Kenwood remains burdened by a £47m mountain of short-term debt. Mizushi, its Italian subsidiary, is being run at a loss because it is too expensive to close and no one wants to buy it.

Brokers forecast full-year profits for Kenwood of £2m, implying a forward p/e ratio of 12. That leaves the shares looking fairly valued. Shareholders can hang on in the hope that, now the size of its target has halved, Pifco plucks up the courage to mount a hostile bid. But it's hard to see what a predator could do that the current management isn't doing already.

## PEOPLE & BUSINESS

### LEA PATERSON



Do I hear the rumbles of discontent at the Department of Trade and Industry? The DTI rumour has it, is set to lose its first senior civil servant since Labour's election victory. John Michell, the director of oil and gas, is understood to be taking early retirement at the tender age of 55. Sources say that Mr Michell plans to pursue a better-paid career in the private sector.

Mr Michell's decision to leave has, according to some colleagues, nothing to do with the change of Government. Apparently Mr Michell "got on like a house on fire" with John Birt, the industry minister. But others pointed to recent shifts in emphasis over consumer policy, with Mr Birt pushing for guarantees that the poor would not lose out following the introduction of domestic electricity and gas competition. It seems that Mr Michell, regarded by many as one of the main architects of Tidy energy policy, has been absent from recent meetings with the minister. One source reckons Mr Michell has been "a bit of a fish out of water" since the election.

Mr Michell, a career civil servant, came to prominence three years ago over claims that he had received red roses from Clare Spottiswoode, the gas regulator. The allegations (she did send him flowers, but not roses) came at the height of the "cold war" between the regulator and British Gas. More recently, relations have thawed considerably, a development for which Mr Michell can claim much of the credit.

A heart-warming seasonal touch from the New Labour Treasury, Gordon Brown, the Chancellor, has departed from the normal departmental practice of putting an ancient snowy oil painting or cartoon of some distinguished deceased chancellor on the Christmas card in favour of up-to-the-minute drawings by children related to Treasury staff.

Two winners, Nicholas Gibbs, aged 7, and 9-year-old Kier Ferguson, were awarded prizes at a ceremony at Number 11 Downing

Street last week. Along with a tour of Downing Street, they each got a £50 voucher from Toys 'R Us and had their original artwork framed, gaining an important early lesson in the rewards of hard work. One prize-winning picture shows multi-coloured stars. The other has Father Christmas scattering cash from a sack in his sleigh.

On reflection, it's not a very New Labour theme, but who can blame the Chancellor for being unable to resist such a charming scene?

Charles Fry, the workaholic chief executive of Johnson Fry, is standing down after 28 years in which he has built up one of the most successful financial advisers in the country, now worth £20m, from scratch.

Mr Fry, grandson of the former England cricket captain CB Fry, will have plenty to do, with a large portfolio of his own to manage.

He founded the financial adviser in 1969 with his partner Michael Johnson – who dropped out of the business a few years later – as a two-man business. Within 20 years the company's name as the biggest arranger of Business Expansion Schemes.

It was soon snapped up by London Investment Trust, which ran into severe financial problems. Soon Johnson Fry was the only viable part of the business.

The company was again hit in 1995 when the Government put an end to BESs. Like a chameleon, Mr Fry again transformed the company. Rebecca Thomas, aged 33, was appointed as managing director and set up the top-performing Slater Growth fund – among others. Mr Fry will stay on for two days a week to give his sage advice on marketing. But meanwhile he's having a well-earned rest in Tobago.

For a thriving powerhouse of accountancy and management consultancy, when it comes to marketing the mighty Arthur Andersen has always been a bit more backward about coming forward than some of its rivals. After all, when revenue has grown at rates comfortably into double digits for year after year, it is presumably easy to let the figures speak for themselves.

But now, possibly feeling threatened by the Big Six mega-mergers involving KPMG, Ernst & Young, Coopers & Lybrand and Price Waterhouse, it has appointed one Matthew P. Gearing to the grand-sounding post of managing partner-communications and integrating marketing (whatever the latter is). A veteran of government and airlines, 42-year-old Mr Gearing will report directly to Jim Wadia, the Chicago-based firm's first non-US head man.

One can only wonder how this "communications management" expert will mesh with John Newton, the jovial, jazz-loving City insider who has looked after the firm's affairs in the UK for as long as anybody can remember and is much more of the nudge-and-a-wink school.

## Demand for new mortgages eases

The demand for new mortgages has begun to fall for the first time since 1995, according to figures released yesterday by Barclays Mortgages. The data adds to earlier economic evidence from the Treasury which has eased pressure for a further interest rate rise. Andrew Verity reports.

Barclays said it believed the housing market had now corrected from the slump of the early 1990s. But it added that further strong growth was now unlikely.

Jim Chadwick, marketing director, said: "The slight fall in lending should not be a cause for concern. Growth so far this year has been very healthy and we knew that the surges we saw last year could not be sustained long-term."

"Waning confidence is probably due to the year's interest rate rises. People need to realise that rates have now probably peaked and it is safe to consider moving or buying a house for the first time."

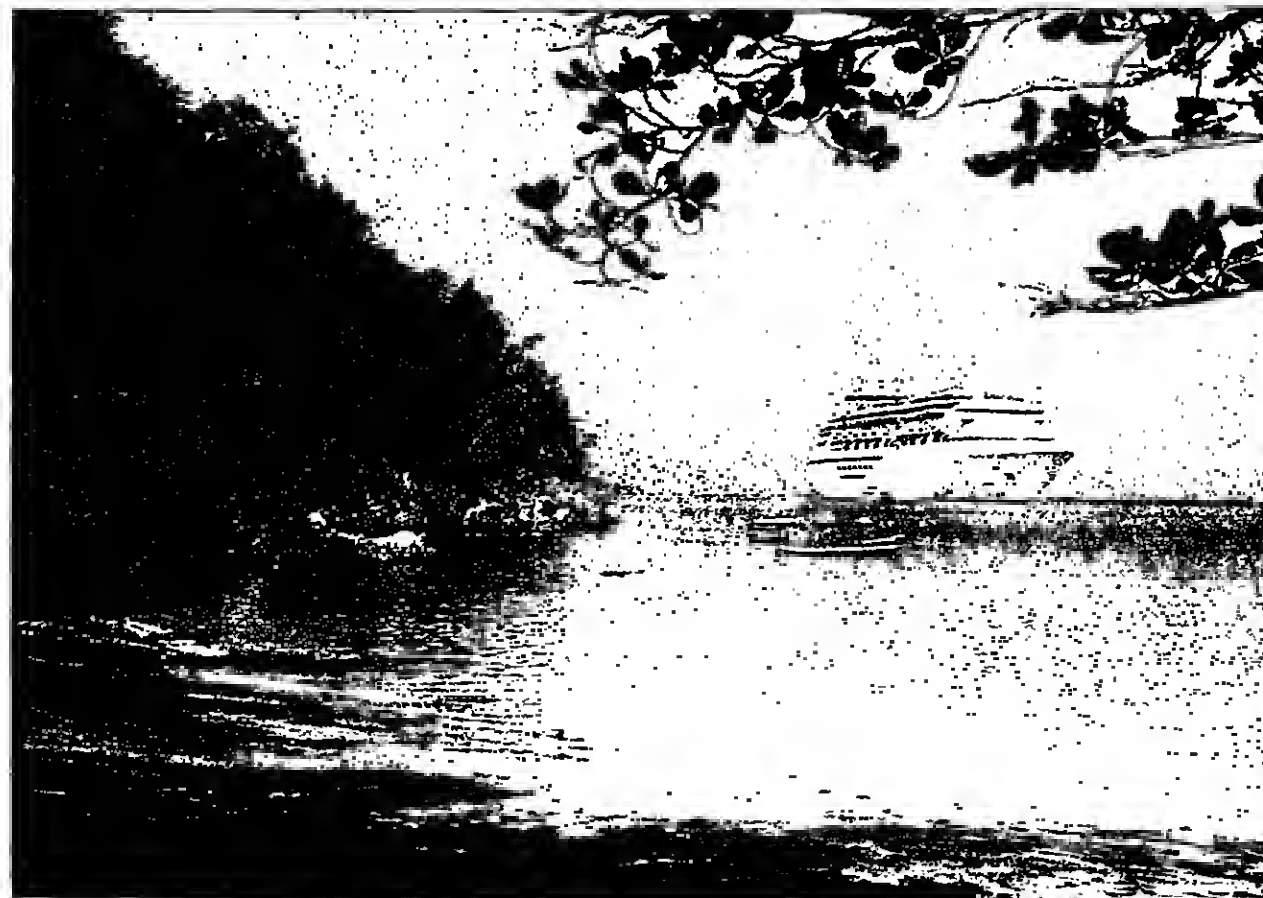
Lending in November

slipped to £6.7bn, down by 4 per cent from its October level of £7.0bn. The company's mortgage index, which measures how much business has been done by all mortgage lenders, showed a slight fall of under 1 per cent last month in comparison with October last year.

More business is still being done compared with last year, but the growth of business has slowed down sharply. As recently as September, mortgage lending was over 10 per cent higher than in 1996. November was the first month which which lending fell year-on-year since September 1995.

Meanwhile, Halifax, the country's biggest mortgage lender with a 20 per cent share of the market, is boosting the interest paid on savings accounts from 1 January by at least 0.25 points. The savings rate rise follows a similar boost to Halifax's variable rate mortgages, to 8.7 per cent, following the Bank of England's quarter-point rate rise in early November.

But Halifax's rates on savings and current accounts still remain at least 2 percentage points below those of supermarkets and building societies such as Bradford & Bingley. For amounts less than £5,000, its top rate is 4.5 per cent a year – against 6.8 per cent at Bradford & Bingley.



First Choice, the UK's third-largest holiday maker, confirmed yesterday that the holiday market was booming as it announced its best ever start to the new season with summer bookings up a quarter compared with last year. The group also plans to capitalise

on the growing popularity of cruises by offering its 1.6 million customers new holidays in the Mediterranean for summer 1999.

The announcement comes a week after rival Airtrips announced its bookings were storming ahead of last year.

First Choice's underlying pre-tax profits more than doubled to £22m in the year to October. But the discovery of an accountancy error under the previous management team wiped £8.6m off the bottom line.

— Andrew Yates

### Government borrowing rises but spending stays on target

The Government borrowed £2.3bn in November. Although this was a little more than the City had expected, it left the total for the financial year so far at £4.8bn and easily on course for the Treasury's target of £9.5bn for the full financial year.

Some economists believe the Chancellor, Gordon Brown, could do even better, so tough has he been at cracking down on public expenditure. Spending by government departments is down 1 per cent this year, rather than rising 1.7 per cent as forecast – and this despite inflation that has been higher than expected when Kenneth Clarke, the former chancellor, set the current cash totals for public spending.

Jonathan Lownes, an economist at HSBC Markets, said: "Barring a very large splurge at the end of the year, it now looks certain that spending will under-shoot the official forecasts significantly." Adam Cole at James Capel, predicted the PSBR could be as low as £5bn in the current year.

With spending reined in, lower revenues accounted for the somewhat disappointing November figure for the public sector borrowing requirement (PSBR). Total government tax receipts for the first eight months of 1997/98 were 5.2 per cent lower than the same period a year earlier.

— Diane Coyle

### Ernst & Young passes KPMG in accountancy firm rankings

Ernst & Young has leapfrogged KPMG, the firm with which it is planning to merge, to become the world's second-largest accountancy firm, with total fees for the past year of \$9.1bn (£5.6bn), according to figures just published.

The firm, headed in the UK by Nick Land, reached the runner-up position through recording a rise in fee income of 16.7 per cent. This was the only increase in revenues that approached the 19 per cent posted by Andersen Worldwide, the global number one, says *International Accounting Bulletin*.

The journal, which published its annual accountancy firm ranking yesterday, points

out that, although Andersen faces losing its top spot if the E&Y/KPMG merger goes ahead, it continues to grow faster than any of its main rivals. Last year, the combined revenues of the two business units – Arthur Andersen and Andersen Consulting – totalled \$11.3bn. KPMG saw revenues rise 11.1 per cent to \$4bn.

Coopers & Lybrand, in fourth place, saw fees rise 11.7 per cent to \$7.5bn, while sixth-placed Price Waterhouse, the firm it is planning to merge with, recorded a 12 per cent rise to \$5.6bn. Deloitte Touche Tohmatsu was in fifth place with fees of \$7.4bn.

— Roger Trapp

### US markets boosted as inflation fears subside

Signs that US inflation remains tame boosted the US financial markets yesterday by removing any residual fear that the Federal Reserve might raise interest rates at its last Open Markets Committee meeting of the year. Consumer prices rose just 0.1 per cent in November, trimming the annual inflation rate to 1.8 per cent. "Core" prices, excluding volatile food and energy components, also rose 0.1 per cent during the month. A 0.7 per cent drop in transport prices thanks to lower air fares explained the smaller-than-expected increase.

Wall Street economists expressed relief that early signs of pressure on wages had not fed through to prices yet, although some remain convinced the Fed will have to raise rates during the first few months of 1998 as inflationary pressure build in the jobs market. Separate figures showed new house-building starts up unexpectedly last month. The number of new homes started climbed 0.8 per cent, reaching an annual rate of 1.53 million units. Low long-term interest rates are boosting the housing market.

### RBS takeover clears hurdle

The Department of Trade and Industry yesterday cleared the Royal Bank of Scotland Group's proposed £630m takeover of Birmingham Midshires Building Society. RBS, Britain's ninth-largest bank, said in August it would buy Birmingham Midshires to increase its branch network in England and its mortgage lending throughout the UK. The acquisition must still be approved by Birmingham Midshires' members and the Financial Services Authority, the financial regulator that will come into being next year. Analysts had not expected a referral since the combination would result in less than 5 per cent of the UK mortgage market.

### Profits on target at Wickes

Wickes, the building materials company, yesterday said it expected operating profit for the year to 31 December to be in line with company expectations given the sales performance to date and the "successful" control of costs. Wickes said market conditions "remained satisfactory" during the second half of the year, adding that like-for-like sales growth in its UK business for the 48 weeks to 29 November was 10.2 per cent. "As anticipated, like-for-like sales growth in the second half of 1997 was slower than that achieved in the first half as the company traded against stronger second-half 1996 sales comparatives," Wickes said.

### Peter Black buys Ferrosan

Peter Black Holdings, the healthcare and footwear group, has bought Ferrosan (UK) Ltd from Ferrosan AS of Denmark for a maximum consideration of around £35m. Both Ferrosan and Peter Black Healthcare are suppliers of vitamins, minerals and supplements to the UK market. The deal is being funded in part by placing 5 million new Peter Black shares at 370p each, raising around £18.5m. In the year ended 31 December 1996, Ferrosan (UK) had turnover and pre-tax profit of £19.9m and £2.3m, and adjusted net assets at that date were £4.5m.

### Portfolio bought up

Liberty International Holdings has bought the balance of 30 per cent of Portfolio Fund Management it did not already own. "Portfolio is the leading specialist fund of funds unit trust manager," said Liberty.

COMPANY RESULTS				
	Turnover £	Pre-tax £	EPS	Dividend
Abertis Asset Man (F)	22.21m (19.53m)	3.58m (6.08m)	2.64p (5.08p)	3.75p
Astra (I)	78.95m (103.5m)	-0.525m (-63.45m)	(2.27p)	(-)
Care UK (F)	27.57m (21.67m)	12.34m (3.52m)	25.88p (6.79p)	1.25p (1.06p)
Captain Group (SP)	23.24m (22.78m)	-3.21m (-6.23m)	-1.52p (-2.27p)	(-)
Companystore UK (F)	10.30m (7.69m)	0.389m (0.199m)	5.68p (+)	0.65p (+)
Equidion (I)	(-)	1.406m (0.538m)	3.85p (1.56p)	2.0p (2.0p)
First Choice (F)	1.02m (1.01m)	22.0m (8.3m)	5.4p (1.9p)	2.8p (2.8p)
Greenalls (F)	977.0m (951.1m)	157.3m (148.7m)	41.72p (40.28p)	16.7p (15.4p)
Kenwood (F)	81.46m (97.63m)	2.2m (2.3m)	3.5p (4.9p)	(-)
Kerr Retail (F)	300.46m (67.65m)	-40.6m (-73.8m)	-0.37p (-0.82p)	(-)
Securix (F)	1.33bn (1.25bn)	31.4m (107.4m)	2.7p (11.5p)	1.74p (1.56p)
Todd (F)	2.9m (2.7m)	-1.12m (-2.46m)	-4.15p (-14.3p)	(-)
Universal Salvage (I)	37.36m (26.09m)	1.0m (2.3m)	2.46p (5.52p)	1.65p (1.65p)
Unitime (I)	23.82m (22.7m)	2.2m (-0.42m)	2.7p (-0.21p)	0.4p (0.4p)
Zargo Holdings (I)	5.37m (4.67m)	0.78m (0.185m)	0.3p (0.5p)	(-)

(F) = Fiscal (I) = Interim 1 EPS is pre-exceptional \* Dividend to be paid as a FID







Foreign Exchange Rates

Country	Spot	Sterling			Dollar	10-day			
		3 month	6 month	1 year		1 month	3 month	6 month	
UK	2.0000				0.6722	0.6722	0.6722	0.6722	0.6722
Australia	1.9133	2.5594	2.5524	15.74	15.74	15.74	15.74	15.74	15.74
Austria	20.498	20.498	20.498	12.538	12.538	12.538	12.538	12.538	12.538
Belgium	23.263	23.189	23.070	36.766	36.765	36.765	36.765	36.765	36.765
Canada	1.0966	1.0966	1.0966	1.0966	1.0966	1.0966	1.0966	1.0966	1.0966
Denmark	1.0966	1.0966	1.0966	1.0966	1.0966	1.0966	1.0966	1.0966	1.0966
ECU	1.7679	1.7679	1.7679	5.8793	5.8793	5.8793	5.8793	5.8793	5.8793
France	6.5547	6.5547	6.5547	17.265	17.265	17.265	17.265	17.265	17.265
Germany	2.9182	2.9182	2.9182	20.817	20.817	20.817	20.817	20.817	20.817
Greece	1.7679	1.7679	1.7679	1.7679	1.7679	1.7679	1.7679	1.7679	1.7679
Hong Kong	1.0966	1.0966	1.0966	1.0966	1.0966	1.0966	1.0966	1.0966	1.0966
Ireland	1.0966	1.0966	1.0966	1.0966	1.0966	1.0966	1.0966	1.0966	1.0966
Italy	2.0000	2.0000	2.0000	1.0966	1.0966	1.0966	1.0966	1.0966	1.0966
Japan	1.0966	1.0966	1.0966	1.0966	1.0966	1.0966	1.0966	1.0966	1.0966
Malaysia	1.0966	1.0966	1.0966	1.0966	1.0966	1.0966	1.0966	1.0966	1.0966
Mexico	1.0966	1.0966	1.0966	1.0966	1.0966	1.0966	1.0966	1.0966	1.0966
Netherlands	1.0966	1.0966	1.0966	1.0966	1.0966	1.0966	1.0966	1.0966	1.0966
New Zealand	1.0966	1.0966	1.0966	1.0966	1.0966	1.0966	1.0966	1.0966	1.0966
Norway	1.0966	1.0966	1.0966	1.0966	1.0966	1.0966	1.0966	1.0966	1.0966
Saudi Arabia	1.0966	1.0966	1.0966	1.0966	1.0966	1.0966	1.0966	1.0966	1.0966
Singapore	1.0966	1.0966	1.0966	1.0966	1.0966	1.0966	1.0966	1.0966	1.0966
South Africa	1.0966	1.0966	1.0966	1.0966	1.0966	1.0966	1.0966	1.0966	1.0966
Spain	1.0966	1.0966	1.0966	1.0966	1.0966	1.0966	1.0966	1.0966	1.0966
Sweden	1.0966	1.0966	1.0966	1.0966	1.0966	1.0966	1.0966	1.0966	1.0966
Switzerland	1.0966	1.0966	1.0966	1.0966	1.0966	1.0966	1.0966	1.0966	1.0966
Taiwan	1.0966	1.0966	1.0966	1.0966	1.0966	1.0966	1.0966	1.0966	1.0966
US	1.0966	1.0966	1.0966	1.0966	1.0966	1.0966	1.0966	1.0966	1.0966

Other Spot Rates

Country	Sterling	Dollar	Country	Sterling	Dollar
Argentina	16335	10000	Oman	0.8288	0.8288
Brazil	18174	11126	Pakistan	0.7789	0.7789
Canada	1.0966	1.0966	Peru	0.7338	0.7338
Czech Rep	1.0966	1.0966	Poland	0.7338	0.7338
Denmark	1.0966	1.0966	Romania	0.7338	0.7338
ECU	1.7679	1.7679	Saudi Arabia	0.73	0.73
France	6.5547	6.5547	Saudi Arabia	0.73	0.73
Germany	2.9182	2.9182	Saudi Arabia	0.73	0.73
Greece	1.7679	1.7679	Saudi Arabia	0.73	0.73
Hong Kong	1.0966	1.0966	Saudi Arabia	0.73	0.73
Ireland	1.0966	1.0966	Saudi Arabia	0.73	0.73
Italy	2.0000	2.0000	Saudi Arabia	0.73	0.73
Japan	1.0966	1.0966	Saudi Arabia	0.73	0.73
Malaysia	1.0966	1.0966	Saudi Arabia	0.73	0.73
Mexico	1.0966	1.0966	Saudi Arabia	0.73	0.73
Netherlands	1.0966	1.0966	Saudi Arabia	0.73	0.73
New Zealand	1.0966	1.0966	Saudi Arabia	0.73	0.73
Norway	1.0966	1.0966	Saudi Arabia	0.73	0.73
Saudi Arabia	1.0966	1.0966	Saudi Arabia	0.73	0.73
Singapore	1.0966	1.0966	Saudi Arabia	0.73	0.73
South Africa	1.0966	1.0966	Saudi Arabia	0.73	0.73
Spain	1.0966	1.0966	Saudi Arabia	0.73	0.73
Sweden	1.0966	1.0966	Saudi Arabia	0.73	0.73
Switzerland	1.0966	1.0966	Saudi Arabia	0.73	0.73
Taiwan	1.0966	1.0966	Saudi Arabia	0.73	0.73
US	1.0966	1.0966	Saudi Arabia	0.73	0.73

Interest Rates

Country	Rate	Country	Rate	Country	Rate
Argentina	16335	Germany	2.50%	US	8.50%
Brazil	18174	France	4.50%	Japan	Discount
Canada	1.0966	Italy	4.50%	Belgium	3.50%
Czech Rep	1.0966	Netherlands	4.50%	Spain	3.50%
Denmark	1.0966	Sweden	4.50%	Switzerland	1.00%
ECU	1.7679	Switzerland	4.50%	Lombard	2.50%
France	6.5547	Switzerland	4.50%	Lombard	2.50%
Germany	2.9182	Switzerland	4.50%	Lombard	2.50%
Greece	1.7679	Switzerland	4.50%	Lombard	2.50%
Hong Kong	1.0966	Switzerland	4.50%	Lombard	2.50%
Ireland	1.0966	Switzerland	4.50%	Lombard	2.50%
Italy	2.0000	Switzerland	4.50%	Lombard	2.50%
Japan	1.0966	Switzerland	4.50%	Lombard	2.50%
Malaysia	1.0966	Switzerland	4.50%	Lombard	2.50%
Mexico	1.0966	Switzerland	4.50%	Lombard	2.50%
Netherlands	1.0966	Switzerland	4.50%	Lombard	2.50%
New Zealand	1.0966	Switzerland	4.50%	Lombard	2.50%
Norway	1.0966	Switzerland	4.50%	Lombard	2.50%
Saudi Arabia	1.0966	Switzerland	4.50%	Lombard	2.50%
Singapore	1.0966	Switzerland	4.50%	Lombard	2.50%
South Africa	1.0966	Switzerland	4.50%	Lombard	2.50%
Spain	1.0966	Switzerland	4.50%	Lombard	2.50%
Sweden	1.0966	Switzerland	4.50%	Lombard	2.50%
Switzerland	1.0966	Switzerland	4.50%	Lombard	2.50%
Taiwan	1.0966	Switzerland	4.50%	Lombard	2.50%
US	1.0966	Switzerland	4.50%	Lombard	2.50%

Bond Yields

Country	3mth	chg	1 yr	chg	2 yr	chg	5 yr	chg	10 yr	chg
Australia	4.97	0.01	4.80	0.02	5.28	0.00	5.78	-0.03	6.71	-0.03
Canada	7.00	0.02	6.00	0.02	6.00	0.00	6.00	0.00	6.00	0.00
ECU	4.48	0.01	4.85	0.01	4.54	0.02	5.01	0.01	5.41	0.01
France	6.00	0.01	6.00	0.01	6.00	0.01	6.00	0.01	6.00	0.01
Germany	3.75	0.01	4.00	0.02	4.28	0.02	4.89	0.02	5.29	0.01
Italy	5.81	0.03	6.32	0.03	5.51	0.00	5.28	0.01	5.73	0.00
Japan	0.35	0.01	0.35	0.01	0.35	0.02	0.37	0.01	0.39	0.03
Netherlands	3.75	0.01	4.00	0.02	4.28	0.02	4.89	0.02	5.29	0.01
Spain	4.70	0.02	4.53	0.01	4.84	0.01	5.05	0.00	5.59	0.00
Sweden	4.38	0.03	4.49	0.02	4.58	0.02	5.17	0.03	5.88	0.02
Switzerland	1.00	0.01	1.00	0.01	1.00	0.01	1.00	0.01	1.00	0.01
UK	7.00	0.00	7.75	0.01	6.83	0.04	6.32	-0.02	6.77	0.02
US	5.08	0.00	5.75	0.00	5.85	0.00	5.76	0.02	5.78	0.01

Money Markets

Instrument	1 week	1 month	3 months	6 months	1 year
Treasury Bills					
91 Day	7.00	7.00	7.00	7.00	7.00
182 Day	7.00	7.00	7.00	7.00	7.00
270 Day	7.00	7.00	7.00	7.00	7.00
1 Year	7.00	7.00	7.00	7.00	7.00
Commercial Paper					
91 Day	7.00	7.00	7.00	7.00	7.00
182 Day	7.00	7.00	7.00	7.00	7.00
270 Day	7.00	7.00	7.00	7.00	7.00
1 Year	7.00	7.00	7.00	7.00	7.00
Bankers' Acceptances					
91 Day	7.00	7.00	7.00	7.00	7.00
182 Day	7.00	7.00	7.00	7.00	7.00
270 Day	7.00	7.00	7.00	7.00	7.00
1 Year	7.00	7.00	7.00	7.00	7.00

Life Financial Futures

Contract	Settle	12/11	12/14	12/15	Ed	10/11	Open
Long Oil	Mar-98	121.41	121.84	121.25	50.825	160.00	160.00
German Bund	Mar-98	104.53	104.64	104.42	25.934	256.67	256.67
US Treasury Note	Mar-98	115.53	115.61	115.35	11.293	107.48	107.48
Italian Bond	Mar-98	123.87	123.88	123.85	22.931	164.78	164.78
Japan Govt Bd	Mar-98	123.87	123.88	123.85	22.931	164.78	164.78
3 Mth Sterling	Mar-98	123.87	123.88	123.85	22.931	164.78	164.78
3 Mth Eurodollar	Mar-98	123.87	123.88	123.85	22.931	164.78	164.78
3 Mth Eurodollar	Mar-98	123.87	123.88	123.85	22.931	164.78	164.78
3 Mth Eurodollar	Mar-98	123.87	123.88	123.85	22.931	164.78	164.78
3 Mth Eurodollar	Mar-98	123.87	123.88	123.85	22.931	164.78	164.78
3 Mth Eurodollar	Mar-98	123.87	123.88	123.85	22.931	164.78	164.78
3 Mth Eurodollar	Mar-98	123.87	123.88	123.85	22.931	164.78	164.78
3 Mth Eurodollar	Mar-98	123.87	123.88	123.85	22.931	164.78	164.78
3 Mth Eurodollar	Mar-98	123.87	123.88	123.85	22.931	164.78	164.78
3 Mth Eurodollar	Mar-98	123.87	123.88	123.85	22.931	164.78	164.78
3 Mth Eurodollar	Mar-98	123.87	123.88	123.85	22.931	164.78	164.78
3 Mth Eurodollar	Mar-98	123.87	123.88	123.85	22.931	164.78	164.78
3 Mth Eurodollar	Mar-98	123.87	123.88	123.85	22.931	164.78	164.78
3 Mth Eurodollar	Mar-98	123.87	123.88	123.85	22.931	164.78	164.78
3 Mth Eurodollar	Mar-98	123.87	123.88	123.85	22.931	164.78	164.78
3 Mth Eurodollar	Mar-98	123.87	123.88	123.85	22.931	164.78	164.78
3 Mth Eurodollar	Mar-98	123.87	123.88	123.85	22.931	164.78	164.78
3 Mth Eurodollar	Mar-98	123.87	123.88	123.85	22.931	164.78	164.78
3 Mth Eurodollar	Mar-98	123.87	123.88	123.85	22.931	164.78	164.78
3 Mth Eurodollar	Mar-98	123.87	123.88	123.85	22.931	164.78	164.78
3 Mth Eurodollar	Mar-98	123.87	123.88	123.85	22.931	164.78	164.78
3 Mth Eurodollar	Mar-98	123.87	123.88	123.85	22.931	164.78	164.78
3 Mth Eurodollar	Mar-98	123.87	123.88	123.85	22.931	164.78	164.78
3 Mth Eurodollar	Mar-98	123.87	123.88	123.85	22.931	164.78	164.78
3 Mth Eurodollar	Mar-98	123.87	123.88	123.85	22.931	164.78	164.78
3 Mth Eurodollar	Mar-98	123.87	123.88	123.85	22.931	164.78	164.78
3 Mth Eurodollar	Mar-98	123.87	123.88	123.85	22.931	164.78	164.78
3 Mth Eurodollar	Mar-98	123.87	123.88	123.85	22.931	164.78	164.78
3 Mth Eurodollar	Mar-98	123.87	123.88	123.85	22.931	164.78	164.78
3 Mth Eurodollar	Mar-98	123.87	123.88	123.85	22.931	164.78	164.78
3 Mth Eurodollar	Mar-98	123.87	123.88	123.85	22.931	164.78	164.78
3 Mth Eurodollar	Mar-98	123.87	123.88	123.85	22.931	164.78	164.78
3 Mth Eurodollar	Mar-98	123.87	123.88	123.85	22.931	164.78	164.78
3 Mth Eurodollar	Mar-98	123.87	123.88	123.85	22.931	164.78	164.78
3 Mth Eurodollar	Mar-98	123.87	123.88	123.85	22.931	164.78	164.78
3 Mth Eurodollar	Mar-98	123.87	123.88	123.85	22.931	164.78	164.78
3 Mth Eurodollar	Mar-98	123.87	123.88	123.85	22.931	164.78	164.78
3 Mth Eurodollar	Mar-98	123.87	123.88	123.85	22.931	164.78	164.78
3 Mth Eurodollar	Mar-98	123.87	123.88	123.85	22.931	164.78	164.78
3 Mth Eurodollar	Mar-98	123.87	123.88	123.85	22.931	164.78	16

[illegible]

67 +



## Ascot lowers ceiling and raises prices

Royal Ascot retains its popularity as the Flat season's favourite fixture and in an attempt to reduce overcrowding, the course executive is to further restrict attendance. Richard Edmondson reports.

The vexed topic of attendance figures was again on the racing table yesterday. At many of Britain's racecourses, where unpalatable racing is served by similar facilities, there is a struggle to raise a quorum.

Ascot does not have that problem and yesterday the course executive revealed plans to counteract a different situation. Too many people, it seems, want to attend Royal Ascot, and next summer, the numbers allowed on to the course will be 20 per cent fewer than last June.

The Royal meeting now welcomes 230,000 people over four days, a mass that can be managed quite nicely thank you as long as the weather remains clement. When it becomes stormy, however, the picture, and the colour of your trouser bottoms, changes. The crowd reduction comes largely following dirty Thursday earlier this year, when ladies' day, the busiest day of the meeting, was met by continuous rain. The chosen dress pattern for the afternoon seemed to be mud-spatter as many who had paid good money for the experience found their new tops lasting just a few hours out of the box.

Visitors will have to pay more money this year (£55 a day in the Royal enclosure and £42 a day in the grandstand, although there are concessions for early bookers), but there will be fewer people with whom to jostle and more refuges should the skies open once again. Double-decker marquees will be going up, with catering, television and betting facilities to take your mind off matters afresco while raindrops are plopping from the awnings.

The message, already, appears to be book early. Advance bookings are available from 2 January and, last year, when the accommodation was greater, the grandstand enclosure for ladies' day was sold out within two weeks. Beware, there are people out there who know how to plan their lives.

The Ascot executive can also bathe in an annual attendance figure for 1997 which, at 452,100, is already ahead of the 1996 figure. And that is with Saturday's Betterware Cup meeting still to come.

There were some (ok, I mean me) who might have made a snap judgement when a chap called Douglas Esnecum was appointed as Ascot's racecourse director. Douglas, as I'm sure he'll tell me call him from now on, is, however, rather different from your average racing administrator. He does not treat the public as a hit of a nuisance who have turned up to ruin his private sports day.

It is easy to tell the difference. Some clerks of the course at major racing venues such as Newmarket dreamily observe

you as the equivalent of bubble gum on the sole. Ascot's clerk, Nick Cheyne, and Douglas, always seem to be in a state of nervous alertness as if they are frightened that they might be doing something wrong. They care, and so do others about coming to their racecourse.

It seems inevitable then that the Berkshire track's latest initiative, the Royal Ascot Racing Club, will be a huge success. Esnecum-Crum launched it yesterday with the rather modest pledge that this would be "the greatest racing club in the world". He does, though, have a glimmer of justification.

Subscribers, of which there will be a maximum of 300, will be allowed use of a club room behind the current Iron Stand for which the word luxurious is probably too understated. Canapés and drinks will be complimentary, as will Ascot racecourse admission throughout the year. Viewing at the course will be from a private stand, and an exclusive restaurant will also be available.

In addition, the Club has already bought six two-year-olds at an average cost of £50,000 which will be split between the Messrs Stoute, Hannon and Chapple-Hyam. There will be stable visits to check the horses are still alive, dedicated phone lines to the group manager and regular reports on the bloodstock. And just in case you think one small detail may have been omitted, the perfect late stocking filler for your loved one is available for a knockdown £8,812.50.



One Man (left), Richard Dunwoody and Desert Orchid get on nodding terms at Greystoke stables yesterday

Photograph: John Giles/PA

## The grey heir to Desert Orchid's crown comes face to face with the past master

Can One Man go three-quarters of the way to measuring up to Desert Orchid and win a third King George VI Chase on Boxing Day? Physically, at least, he was able to look the old champion in the eye yesterday when the two came face to face during a visit by Desert Orchid

to One Man's territory of Gordon Richards' stables at Greystoke in Cumbria.

It was Desert Orchid who really caught the eye, though, despite his 18 years. "I hope One Man will look as well when he is 18 and today, as always,

Desert Orchid looked a bit of a band-aid for his lass," John Hales, One Man's owner, said.

Richards said: "I would love to have trained Desert Orchid. Who wouldn't have loved to have had a good horse like that. He stayed the night here and it was

wonderful having him. He looks in great order and nice and happy. One Man was pleased to see him too and I am quite pleased with our grey horse after riding him this morning. He is coming along nicely and looking a million dollars for the King George."

## Court fancied for Irish prize

Ted Walsh's Triumph Hurdle winner, Commanche Court, has been installed as the 10-1 favourite with the sponsors for the Ladbrokes Hurdle at Leopardstown on 10 January. The chestnut, one-length conqueror of Circus Star at Cheltenham, is a top-priced 12-1 with William Hill and Coral.

Ladbrokes rate the chief British hope as Maurice Camacho's Alabang, a good third

**RICHARD EDMONDSON**  
NAP: Orswell Lad  
(Exeter 2.50)  
NB: In The Blood  
(Exeter 1.50)

to Major Jamie in the William Hill Handicap Hurdle at Sandown earlier this month.

**LADBROKES HURDLE** (Leopardstown, 10 January). Ladbrokes: 10-1 Commanche Court, 12-1 Alabang, Broken Rites, Graphical Equilibria, Toss The Sprocket, 14-1 Circus Star, 16-1 Broken Rites, 18-1 Alabang, 20-1 Alabang, 25-1 Broken Rites, 30-1 Circus Star, 40-1 Broken Rites, 50-1 Alabang, 60-1 Circus Star, 80-1 Broken Rites, 100-1 Alabang, 120-1 Circus Star, 150-1 Broken Rites, 200-1 Alabang, 250-1 Circus Star, 300-1 Broken Rites, 400-1 Alabang, 500-1 Circus Star, 600-1 Broken Rites, 800-1 Alabang, 1000-1 Circus Star.

## Singspiel fit for stud duty

Singspiel, who fractured a leg on the eve of the Breeders' Cup, has recovered well enough to return to Britain from the USA today. The five-year-old will go straight to the Dalham Hall stud of his owner, Sheikh Mohammed. He will commence stallion duties in the New Year.

Michael Stoute, Singspiel's trainer, said: "He has progressed very, very well and everyone is extremely happy to let him travel back now."

Pilsudski, Stoute's other globe-trotting star, leaves the trainer's care on 11 January to take up stallion duties in Japan.

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BANGOR 972 982  
DREIER 973 983  
ALL RACING RESULTS  
0891 261 + 970  
CATERICK 971 981  
BANGOR 972 982  
DREIER 973 983

## EXETER

1.20 Totallies Yours  
1.50 Jefferees  
2.20 Mystere

**GOING:** Good to Soft (Good in places).  
① Right-hand, undulating course. Soft test of stamina. Run-in of 250 yards.  
② Course is 5th SW of Exeter, A50, A30, A31, A32, A33, A34, A35, A36, A37, A38, A39, A40, A41, A42, A43, A44, A45, A46, A47, A48, A49, A50, A51, A52, A53, A54, A55, A56, A57, A58, A59, A60, A61, A62, A63, A64, A65, A66, A67, A68, A69, A70, A71, A72, A73, A74, A75, A76, A77, A78, A79, A80, A81, A82, A83, A84, A85, A86, A87, A88, A89, A90, A91, A92, A93, A94, A95, A96, A97, A98, A99, A100.

**FAVOURITES:** 100-200 (50%)  
BUNGLED FIRST TIME NINE

**1.20 OSPREY CLAIMING HURDLE (CLASS F) £2,600 added 2m 2f Penalty Value £1,953**

1.20 Totallies Yours  
1.50 Jefferees  
2.20 Mystere

**GOING:** Good to Soft (Good in places).  
① Right-hand, undulating course. Soft test of stamina. Run-in of 250 yards.  
② Course is 5th SW of Exeter, A50, A30, A31, A32, A33, A34, A35, A36, A37, A38, A39, A40, A41, A42, A43, A44, A45, A46, A47, A48, A49, A50, A51, A52, A53, A54, A55, A56, A57, A58, A59, A60, A61, A62, A63, A64, A65, A66, A67, A68, A69, A70, A71, A72, A73, A74, A75, A76, A77, A78, A79, A80, A81, A82, A83, A84, A85, A86, A87, A88, A89, A90, A91, A92, A93, A94, A95, A96, A97, A98, A99, A100.

**FAVOURITES:** 100-200 (50%)  
BUNGLED FIRST TIME NINE

**1.50 MERLIN NOVICE CHASE (CLASS D) £5,000 added 2m 2f Penalty Value £4,078**

1.50 Jefferees  
2.20 Mystere

**GOING:** Good to Soft (Good in places).  
① Right-hand, undulating course. Soft test of stamina. Run-in of 250 yards.  
② Course is 5th SW of Exeter, A50, A30, A31, A32, A33, A34, A35, A36, A37, A38, A39, A40, A41, A42, A43, A44, A45, A46, A47, A48, A49, A50, A51, A52, A53, A54, A55, A56, A57, A58, A59, A60, A61, A62, A63, A64, A65, A66, A67, A68, A69, A70, A71, A72, A73, A74, A75, A76, A77, A78, A79, A80, A81, A82, A83, A84, A85, A86, A87, A88, A89, A90, A91, A92, A93, A94, A95, A96, A97, A98, A99, A100.

**FAVOURITES:** 100-200 (50%)  
BUNGLED FIRST TIME NINE

**2.20 HOECHST EBF MARES NH NOVICE HURDLE (CLASS D) £4,600 added 2m 3f 110yds Penalty Value £3,706**

2.20 Jefferees  
3.50 Mystere

**GOING:** Good to Soft (Good in places).  
① Right-hand, undulating course. Soft test of stamina. Run-in of 250 yards.  
② Course is 5th SW of Exeter, A50, A30, A31, A32, A33, A34, A35, A36, A37, A38, A39, A40, A41, A42, A43, A44, A45, A46, A47, A48, A49, A50, A51, A52, A53, A54, A55, A56, A57, A58, A59, A60, A61, A62, A63, A64, A65, A66, A67, A68, A69, A70, A71, A72, A73, A74, A75, A76, A77, A78, A79, A80, A81, A82, A83, A84, A85, A86, A87, A88, A89, A90, A91, A92, A93, A94, A95, A96, A97, A98, A99, A100.

**FAVOURITES:** 100-200 (50%)  
BUNGLED FIRST TIME NINE

**2.50 EDIMBOURGH HANDICAP CHASE (CLASS C) £5,300 added 2m 7f 110yds Penalty Value £4,883**

2.50 Jefferees  
3.50 Mystere

**GOING:** Good to Soft (Good in places).  
① Right-hand, undulating course. Soft test of stamina. Run-in of 250 yards.  
② Course is 5th SW of Exeter, A50, A30, A31, A32, A33, A34, A35, A36, A37, A38, A39, A40, A41, A42, A43, A44, A45, A46, A47, A48, A49, A50, A51, A52, A53, A54, A55, A56, A57, A58, A59, A60, A61, A62, A63, A64, A65, A66, A67, A68, A69, A70, A71, A72, A73, A74, A75, A76, A77, A78, A79, A80, A81, A82, A83, A84, A85, A86, A87, A88, A89, A90, A91, A92, A93, A94, A95, A96, A97, A98, A99, A100.

**FAVOURITES:** 100-200 (50%)  
BUNGLED FIRST TIME NINE

**2.50 EDIMBOURGH HANDICAP CHASE (CLASS C) £5,300 added 2m 7f 110yds Penalty Value £4,883**

2.50 Jefferees  
3.50 Mystere

**GOING:** Good to Soft (Good in places).  
① Right-hand, undulating course. Soft test of stamina. Run-in of 250 yards.  
② Course is 5th SW of Exeter, A50, A30, A31, A32, A33, A34, A35, A36, A37, A38, A39, A40, A41, A42, A43, A44, A45, A46, A47, A48, A49, A50, A51, A52, A53, A54, A55, A56, A57, A58, A59, A60, A61, A62, A63, A64, A65, A66, A67, A68, A69, A70, A71, A72, A73, A74, A75, A76, A77, A78, A79, A80, A81, A82, A83, A84, A85, A86, A87, A88, A89, A90, A91, A92, A93, A94, A95, A96, A97, A98, A99, A100.

## HYPERION

2.50 Boots Madden  
3.50 Walter's Destiny  
3.50 Bold Statement

**GOING:** Good to Soft (Good in places).  
① Right-hand, undulating course. Soft test of stamina. Run-in of 250 yards.  
② Course is 5th SW of Exeter, A50, A30, A31, A32, A33, A34, A35, A36, A37, A38, A39, A40, A41, A42, A43, A44, A45, A46, A47, A48, A49, A50, A51, A52, A53, A54, A55, A56, A57, A58, A59, A60, A61, A62, A63, A64, A65, A66, A67, A68, A69, A70, A71, A72, A73, A74, A75, A76, A77, A78, A79, A80, A81, A82, A83, A84, A85, A86, A87, A88, A89, A90, A91, A92, A93, A94, A95, A96, A97, A98, A99, A100.

**FAVOURITES:** 100-200 (50%)  
BUNGLED FIRST TIME NINE

**1.20 OSPREY CLAIMING HURDLE (CLASS F) £2,600 added 2m 2f Penalty Value £1,953**

1.20 Totallies Yours  
1.50 Jefferees  
2.20 Mystere

**GOING:** Good to Soft (Good in places).  
① Right-hand, undulating course. Soft test of stamina. Run-in of 250 yards.  
② Course is 5th SW of Exeter, A50, A30, A31, A32, A33, A34, A35, A36, A37, A38, A39, A40, A41, A42, A43, A44, A45, A46, A47, A48, A49, A50, A51, A52, A53, A54, A55, A56, A57, A58, A59, A60, A61, A62, A63, A64, A65, A66, A67, A68, A69, A70, A71, A72, A73, A74, A75, A76, A77, A78, A79, A80, A81, A82, A83, A84, A85, A86, A87, A88, A89, A90, A91, A92, A93, A94, A95, A96, A97, A98, A99, A100.

**FAVOURITES:** 100-200 (50%)  
BUNGLED FIRST TIME NINE

**1.50 MERLIN NOVICE CHASE (CLASS D) £5,000 added 2m 2f Penalty Value £4,078**

1.50 Jefferees  
2.20 Mystere

**GOING:** Good to Soft (Good in places).  
① Right-hand, undulating course. Soft test of stamina. Run-in of 250 yards.  
② Course is 5th SW of Exeter, A50, A30, A31, A32, A33, A34, A35, A36, A37, A38, A39, A40, A41, A42, A43, A44, A45, A46, A47, A48, A49, A50, A51, A52, A53, A54, A55, A56, A57, A58, A59, A60, A61, A62, A63, A64, A65, A66, A67, A68, A69, A70, A71, A72, A73, A74, A75, A76, A77, A78, A79, A80, A81, A82, A83, A84, A85, A86, A87, A88, A89, A90, A91, A92, A93, A94, A95, A96, A97, A98, A99, A100.

**FAVOURITES:** 100-200 (50%)  
BUNGLED FIRST TIME NINE

**2.20 HOECHST EBF MARES NH NOVICE HURDLE (CLASS D) £4,600 added 2m 3f 110yds Penalty Value £3,706**

2.20 Jefferees  
3.50 Mystere

**GOING:** Good to Soft (Good in places).  
① Right-hand, undulating course. Soft test of stamina. Run-in of 250 yards.  
② Course is 5th SW of Exeter, A50, A30, A31, A32, A33, A34, A35, A36, A37, A38, A39, A40, A41, A42, A43, A44, A45, A46, A47, A48, A49, A50, A51, A52, A53, A54, A55, A56, A57, A58, A59, A60, A61, A62, A63, A64, A65, A66, A67, A68, A69, A70, A71, A72, A73, A74, A75, A76, A77, A78, A79, A80, A81, A82, A83, A84, A85, A86, A87, A88, A89, A90, A91, A92, A93, A94, A95, A96, A97, A98, A99, A100.

**FAVOURITES:** 100-200 (50%)  
BUNGLED FIRST TIME NINE

**2.50 EDIMBOURGH HANDICAP CHASE (CLASS C) £5,300 added 2m 7f 110yds Penalty Value £4,883**

2.50 Jefferees  
3.50 Mystere

**GOING:** Good to Soft (Good in places).  
① Right-hand, undulating course. Soft test of stamina. Run-in of 250 yards.  
② Course is 5th SW of Exeter, A50, A30, A31, A32, A33, A34, A35, A36, A37, A38, A39, A40, A41, A42, A43, A44, A45, A46, A47, A48, A49, A50, A51, A52, A53, A54, A55, A56, A57, A58, A59, A60, A61, A62, A63, A64, A65, A66, A67, A68, A69, A70, A71, A72, A73, A74, A75, A76, A77, A78, A79, A80, A81, A82, A83, A84, A85, A86, A87, A88, A89, A90, A91, A92, A93, A94, A95, A96, A97, A98, A99, A100.

**FAVOURITES:** 100-200 (50%)  
BUNGLED FIRST TIME NINE

**2.50 EDIMBOURGH HANDICAP CHASE (CLASS C) £5,300 added 2m 7f 110yds Penalty Value £4,883**

2.50 Jefferees  
3.50 Mystere

**GOING:** Good to Soft (Good in places).  
① Right-hand, undulating course. Soft test of stamina. Run-in of 250 yards.  
② Course is 5th SW of Exeter, A50, A30, A31, A32, A33, A34, A35, A36, A37, A38, A39, A40, A41, A42, A43, A44, A45, A46, A47, A48, A49, A50, A51, A52, A53, A54, A55, A56, A57, A58, A59, A60, A61, A62, A63, A64, A65, A66, A67, A68, A69, A70, A71, A72, A73, A74, A75, A76, A77, A78, A79, A80, A81, A82, A83, A84, A85, A86, A87, A88, A89, A90, A91, A92, A93, A94, A95, A96, A97, A98, A99, A100.

## BANGOR

12.40 Brumton 1.10 Deano's Beano 1.40 Mountain Path 2.10 Albert The Lion 2.40 Slideoffhill 3.10 Jymjam Johnny 3.40 Jalon

**GOING:** Good to Soft (Good in places).  
① Right-hand, undulating course. Soft test of stamina. Run-in of 250 yards.  
② Course is 5th SW of Exeter, A50, A30, A31, A32, A33, A34, A35, A36, A37, A38, A39, A40, A41, A42, A43, A44, A45, A46, A47, A48, A49, A50, A51, A52, A53, A54, A55, A56, A57, A58, A59, A60, A61, A62, A63, A64, A65, A66, A67, A68, A69, A70, A71, A72, A73, A74, A75, A76, A77, A78, A79, A80, A81, A82, A83, A84, A85, A86, A87, A88, A89, A90, A91, A92, A93, A94, A95, A96, A97, A98, A99, A100.

**FAVOURITES:** 100-200 (50%)  
BUNGLED FIRST TIME NINE

**12.40 RED COAT CONDITIONALS HANDICAP HURDLE (CLASS F) £3,500 added 2m 1f**

12.40 Jefferees  
3.50 Mystere

**GOING:** Good to Soft (Good in places).  
① Right-hand, undulating course. Soft test of stamina. Run-in of 250 yards.  
② Course is 5th SW of Exeter, A50, A30, A31, A32, A33, A34, A35, A36, A37, A38, A39, A40, A41, A42, A43, A44, A45, A46, A47, A48, A49, A50, A51, A52, A53, A54, A55, A56, A57, A58, A59, A60, A61, A62, A63, A64, A65, A66, A67, A68, A69, A70, A71, A72, A73, A74, A75, A76, A77, A78, A79, A80, A81, A82, A83, A84, A85, A86, A87, A88, A89, A90, A91, A92, A93, A94, A95, A96, A97, A98, A99, A100.

**FAVOURITES:** 100-200 (50%)  
BUNGLED FIRST TIME NINE

**1.10 ASTBURY WREN HANDICAP HURDLE (CLASS B) £7,000 added 2m**

1.10 Jefferees  
3.50 Mystere

**GOING:** Good to Soft (Good in places).  
① Right-hand, undulating course. Soft test of stamina. Run-in of 250 yards.  
② Course is 5th SW of Exeter, A50, A30, A31, A32, A33, A34, A35, A36, A37, A38, A39, A40, A41, A42, A43, A44, A45, A46, A47, A48, A49, A50, A51, A52, A53, A54, A55, A56, A57, A58, A59, A60, A61, A62, A63, A64, A65, A66, A67, A68, A69, A70, A71, A72, A73, A74, A75, A76, A77, A78, A79, A80, A81, A82, A83, A84, A85, A86, A87, A88, A89, A90, A91, A92, A93, A94, A95, A96, A97, A98, A99, A100.

**FAVOURITES:** 100-200 (50%)  
BUNGLED FIRST TIME NINE

**1.40 CLWYD NOVICE CHASE (CLASS D) £5,000 added 2m 4f 110yds**

1.40 Jefferees  
3.50 Mystere

**GOING:** Good to Soft (Good in places).  
① Right-hand, undulating course. Soft test of stamina. Run-in of 250 yards.  
② Course is 5th SW of Exeter, A50, A30, A31, A32, A33, A34, A35, A36, A37, A38, A39, A40, A41, A42, A43, A44, A45, A46, A47, A48, A49, A50, A51, A52, A53, A54, A55, A56, A57, A58, A59, A60, A61, A62, A63, A64, A65, A66, A67, A68, A69, A70, A71, A72, A73, A74, A75, A76, A77, A78, A79, A80, A81, A82, A83, A84, A85, A86, A87, A88, A89, A90, A91, A92, A93, A94, A95, A96, A97, A98, A99, A100.



## Sheffield to be at centre of plan for regional excellence

The proposals for a new United Kingdom Institute for Sport signal a change to a more coherent sporting strategy. Mike Rowbottom reports.

The revolution is underway for British sport. Yesterday's announcement that the United Kingdom Institute for Sport - once referred to as the Academy of Sport - would be housed in Sheffield marked an important stage in the overhauling of the whole sporting system.

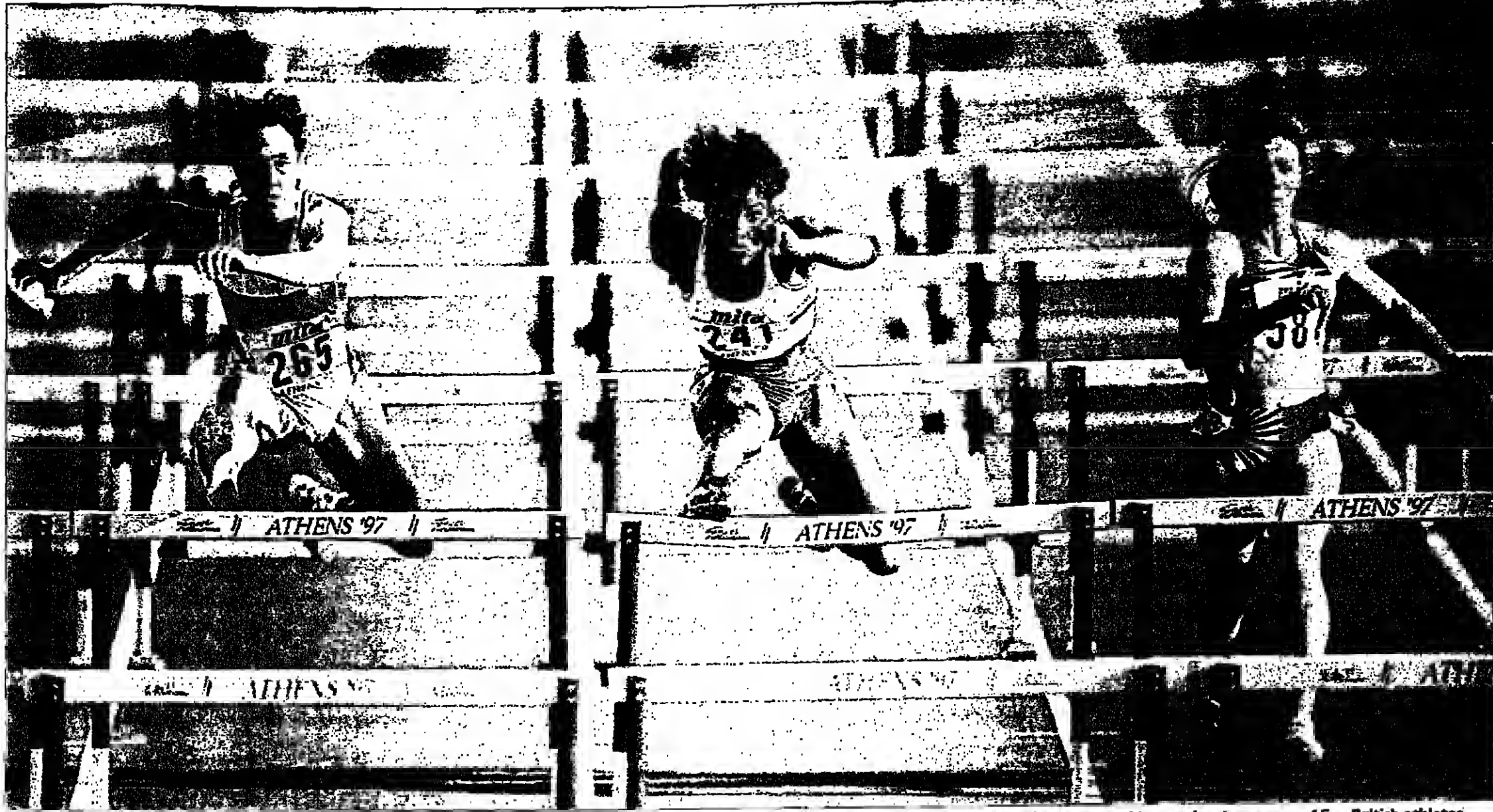
Until now, British sport has mirrored the British constitution in that it has been built up piecemeal over the years. The new proposals seek to establish an American-style constitution - a coherent system conceived as a whole. The idea of an academy was vigorously promoted a couple of years ago by the then Sports Minister, Iain Sproule, who arrived back from a tour of Australia's Institute of Sport in Canberra with a missionary gleam in his eye.

The worry at the time for many athletes was that this would mean one huge facility which everybody would be obliged to travel to from all parts of the country.

There has been considerable vacillation over what would be the ideal model to pursue, to the point where some of the contenders who were knocked out in the early rounds of bidding have suggested, more than half seriously, that they should be allowed back into the process because the criteria had altered so much.

The fears within the British sporting community were calmed by the decision taken by Chris Smith, the Culture, Media and Sports Secretary, to consult widely with sports governing bodies over the project - which Smith described as "fundamentally flawed" - once the Labour government came to power. The message Smith and the Sports Minister, Tony Banks, received was that what was required was a greater emphasis on regional centres connecting to a central hub.

Accordingly, there will be



Denise Lewis (centre) hits one of the obstacles during the 100m hurdles in the women's heptathlon in the World Athletics Championships in Athens earlier this year. Lewis was one of five British athletes who won silver medals, but the team failed to win a single gold. Supporters of the new academy hope that it will help convert British potential into world and Olympic titles. Photograph: Tony Marshall/Emphos

eight regional centres in England, several in Scotland and one each in Wales and Northern Ireland - all of which will have to be accredited by the national centre.

Two sports - cricket and rugby league - have said they want to develop their own exclusive facilities. Those projects are still in the development stage. Other sports such as rowing and track cycling will base themselves at multi-use facilities outside Sheffield.

But the key element to the whole scheme is that all the parts are within a network

which will be able to co-ordinate its support. British competitors are about to start surfing the net towards Sydney.

Essentially, all the money and all the talk is directed at making the life of our sportsmen and women easier.

Last week, the international high jumper Jacqui Aggepong talked excitedly of her involvement in the new athletics programme which has been set up at Bath University. In recent years she has spent as much time on the M6 as she has on the training ground because she has been obliged to make

separate trips to her coach, her physiotherapist and her doctor.

The essence of a sporting institute is that it should provide a one-stop shop for athletes such as Aggepong, allowing them to channel all that wasted energy into becoming faster, higher, stronger.

Thus competitors will be

able to remain in training at their local clubs while accessing expertise via their regional centre.

The furthest any athlete will have to travel for treatment, training facilities or support facilities at the Sheffield site will be three miles.

There will be widespread relief that the whole process is fi-

nally moving, at a time when many sports are learning how much money they are to receive from a separate National Lottery-funded scheme to benefit sport, the World Class Performance Programme.

The Sheffield consortium includes the city's two universities, two hospital trusts and the city council.

Among the reasons for its success, according to Smith, were that it offered a cohesive site with good transport and infrastructure, and that it had built on existing public investment in sports facilities in the city.

"We are absolutely delighted," a Sheffield City Council spokesman said. "We have always known that Sheffield had the strongest case for this because of the state-of-the-art sports facilities we already have."

"We are right in the middle of the country with great communications. And this is going to be a major plank in our regeneration plans for the city."

The British Olympic Association remained optimistic of playing a role within the overall framework of the Institute, even though it supported the rival Upper Heyford bid.

Dick Palmer, executive vice-president, said the BOA hoped to be involved in running the centre of excellence. "Naturally we are disappointed that the bid was rejected but there were three good bids and I suspect the fine facilities already in place in Sheffield counted in their favour," he said.

"I hope we will still have an input in to the academy. We have not heard anything about the management yet and we hope to be involved in that. We have anticipated we might be cherry-picked for the task but it is too early to speculate."

### THE SPORTS TO BE BASED AT SHEFFIELD

Athletics	Squash
Swimming	Volleyball
Netball	Judo
Road cycling	Tnathlon

### SAILING

## Broughton aims to make Navy fly

The Royal Navy are flying the flag for British sailing in the Southern Cross regatta. Stuart Alexander reports from a baking hot Sydney on their chances of covering the White Ensign in glory.

The Royal Navy goes into battle here today led by a helicopter pilot, a nuclear submariner, and a land-based recruit training officer.

They join an enthusiastic, if still depleted, Southern Cross regatta for a nine-race series which ends with the 630-mile Sydney to Hobart race, starting on Boxing Day.

As today is also forecast to be the hottest of the summer so far, basking in 30-plus degree temperatures may seem a good way to spend a British winter. However, the work-rate over an eight-day training period has been intense, with the helicopter pilot and skipper, Mickey Broughton, crumpling boat preparation, handling manoeuvres and fitness training into long days of toil.

Having the submariner and navigator, Paul Merivien, and the square basher and principal helmsman, Clive Woodman, aboard has left Broughton confident that he has assembled one of the best all-round RN crews.

The 14-strong crew will be racing the 43ft Quest - a modern, Nelson/Marek-designed yacht, which was sailed by Australia's 1996 Canada Cup team in Hawaii. Quest was also second in this year's Hamilton Island Race Week.

Broughton, the navigator on the joint services' British Defender in the 1989 Whitbread Round the World Race and a regular on Admiral's Cup yachts, sees this as more than a flag-waving exercise for Britain.

It is an important step forward in the Navy's return to top level competition.

They will have to be at their best if they are to take any top level scalps, one of which is being championed by another British arrival. Andy Beardsworth has been called in by Syd Fischer, the captain of the Australia team, to helm the 50ft Ragamuffin. Beardsworth, who raced in the Soling class at the Atlanta Olympics, will be doing his first Sydney to Hobart race - Fischer's 29th.

Still a few days from the entry to Sydney Harbour are the nine yachts in the Whitbread Race. Brunel Sunery and the overall leader Innovation Kvaerner appear to be profiting from taking the big drive south to look for fresh westerlies. Paul Cayard in EF Language was estimated to have joined the leaders, having swapped his northerly option for a more southerly attack.

The fleet remains hunched over about 20 miles with aoy one of Paul Standbridge in Toshiha, George Collins in Chessie Racing, and Lawrie Smith in Britain's Silk Cut vying for the lead.

The boats have faced constant headwinds since the start on Saturday, which has meant frequent changes of tack and the necessary movement of gear and crew below deck that goes with it. The result is that the crews are now extremely tired.

Grant Dalton reported from Merit Cup that the boat had been under tremendous strain. "There is no doubt these boats are tough. We haven't broken anything, with the exception of a computer which gave up the ghost when we fell off a wave."

WHITBREAD ROUND THE WORLD RACE (third leg, 2,250 miles, Fremantle to Sydney): 1. Brunel Sunery (US) P Cayard 14:00; 2. Toshiha (US) P Standbridge 14:00; 3. Chessie Racing (US) G Collins 12:55; 4. EF Language (Swi) P Cayard 11:45; 5. Merit Cup (NZ) G Dalton 12:35; 6. Chessie Racing (US) G Collins 12:55; 7. Brunel Sunery (US) P Cayard 14:00; 8. EF Language (Swi) P Cayard 14:00; 9. Innovation Kvaerner (Nor) K Fischer 26:00.

### CRICKET

## Holloioake's men can shape the future

If England win the Champions Cup on Friday, then it is likely that the principle of separate one-day and Test squads will be adopted. Derek Pringle reports from Sharjah on a bold experiment that looks like succeeding.

England's seamless progress to the final of the Akai-Singer Champions Cup here, has been a triumph of strategy over convenience. By tailoring their side to the demands and parameters of this one-day competition, Adam Holloioake's team have perhaps set a precedent that even the financially cautious England and Wales Cricket Board will find difficult to ignore. Win or lose on Friday, the days of single party tours must surely be numbered.

But while the ECB pre-variate upon the matter, the view from the England dressing-room - particularly with the World Cup at stake in just under 18 months time - is that there is simply no other way. "The Board should see it as an investment," reckoned Holloioake, when asked if the ECB might blanche at the cost of such a venture. The current England one-day captain in residence adding: "If they are not going to keep this squad to-



Getting into the swing: England's Alistair Brown enjoys a day off on the golf course yesterday. Photograph: Graham Chadwick/Allsport

gether for the one-day series in the West Indies, they may as well call the whole thing off right now. There is no point in going off half-cock. At the end of the day you are not prepared to pay, you can't expect results."

It is a philosophy that is echoed, though somewhat less forcefully, by the England coach, David Lloyd. "I hope we can take the nucleus of this squad here out to the one-day series in the West Indies, and perhaps add four or five players from the Test team as well."

No doubt Lloyd was thinking about the likes of Michael Atherton and Darren Gough, who were both excused Sharjah, as well as one or two others such as Mark Ramprakash and Andy Caddick.

Lloyd, who stressed that it was "his thinking and not a decision," also hopes to assemble a one-day squad of 22 players for next summer when England play a triangular series against South Africa and Sri Lanka.

"It's no, mean feat to get to the final on the back of a few nets

in Manchester," said Lloyd, implying that his and the England selectors' demands in preparing this squad had not been excessive.

Mind you, the logistics, at least for getting a squad ready for the West Indies, are not straightforward. Indeed, England's attempts to prepare one-day specialists for the previous World Cup, by taking them to South Africa (towards the end of the Test series there, caused confusion.

Despite the right intentions, England followed a 6-1 loss in the one-day series to South Africa, with a swift exit from the World Cup, where they failed to beat a single Test-playing nation. With "previous" like that, the ECB is unlikely to leap in again, without considering the consequences. Yet if England win the final against West Indies, few will be able to deny the overwhelming success of this well-conceived experiment.

With one-day cricket looking the most likely way to spread and popularise the game round the world, England need to be at the forefront, and that means having largely separate squads for Test and one-day cricket.

Trying to stay ahead of the game is forcing England cricket to become more labour intensive, which in turn means extra expense. If England are to challenge for the World Cup in 18 months' time or the Ashes next winter, the ECB will have to start balancing finances with priorities. A good showing by England on Friday, may be just the spur,

## Edwards' heroic feat of endurance

Pete Davies reports from Pune England 324-3 Ireland 116 England win by 208 runs

Huntingdon's Charlotte Edwards gave herself an 18th birthday present a day early yesterday, scoring 173 not out against Ireland in Pune's palm-fringed Nehru Stadium.

Winning her ninth cap for England, Edwards battled her way through 50 overs, striking 19 fours off 155 balls to produce an innings stunning in its range and also admirable in its character, as England gained an overwhelming win by 208 runs in this women's World Cup match.

Edwards passed the century mark in the 32nd over without offering one chance. Tiring in stifling heat, she was then dropped three times - on 110, 131, and again when she had passed the previous women's World Cup record score of 143, set in 1988 by Australia's Lindsay Reeler. Edwards made that mark in the 44th over - that she carried on to thrash 30 more runs, dehydrated and with cramps in her feet and ankles, speaks of a heart as big as her covered drives are sweet.

Edwards' effort was the centrepiece of another crushing England display: 324 for 3 was their third score over 300 in three matches - and this against an Irish side better by some margin than their previous victims, Denmark and Pakistan. Indeed, should Ireland heat Pakistan tomorrow in Delhi, they would join England in the quarter-finals - but England overwhelmed them all the same. At the close, Edwards was dashing assisted by the wicketkeeper, Jane Cassar, striking 50 not out off 55 balls.

The Irish coach, John Wills, said: "They respected the good

ball, and the bad ball went for four. It was an exhibition of how to play proper cricket, not least when Jane Brittin walked. It was only the merest of snicks, but she was honest, and that's what it should all be about."

To their credit, rather than stonewalling through 50 overs, Ireland set themselves a target between 180 and 200 - but they did not get near it. England bowled them out for 116 in the 42nd over to win by 208 runs; a fierce spell of 4 for 6 in 4.1 overs from the bighearted Yorkshire seamer Melissa Reynolds put paid to the innings - her crucial scalp was that of Caitriona Beggs, who had lasted 40 gritty overs for her 49.

That England's bowling has found some bite will be as heartening as Edwards' high score. Less heartening was the news from Bombay - that her score was not, after all, the new world record. The Australian opener, Belinda Clark, had hit an astonishing 229 not out against Denmark, and Australia's total of 412 for 3 passed England's four-day old World Cup record of 376 for 2 comfortably. Tomorrow's game between these two in Nagpur should be some affair.

ENGLAND WOMEN'S XI  
N Spivey b Redfern  
J Brittin c Davidson b O'Neill  
C O'Leary c Fraser b O'Neill  
S Davidson c Davidson b Beggs  
J Cassar not out  
Edwards 173 b Ir, wkt, not out  
Rebel (for 3, 50 overs)  
Fall: 1-72, 2-85, 3-151.  
Did not bat: S Redfern, C Taylor, K Sullivan, L MacLeod, K Lang, M Reynolds.  
Bowling: McDonald 10-1-41-0; Pratt 6-0-40-0; Sparrow 5-0-39-0; O'Neill 10-1-84-1; Cassar 8-0-51-1; Beggs 7-0-49-1; Sullivan 8-0-52-0.  
IRELAND WOMEN'S XI  
N Spivey b Redfern  
L MacLeod b Redfern  
M Reynolds b Redfern  
C O'Leary c Cassar b Smithies  
C O'Neill run out  
G Leahy b W MacLeod  
S Davidson c Brittin b Reynolds  
C Sullivan c Cassar b Reynolds  
A Sparrow b Reynolds  
D Pratt c Maclellan b Lang  
Rebel (for 3, 50 overs)  
Extras (PA, WDS, etc) 0  
Total (41.7 overs) 116  
Fall: 1-22, 2-30, 3-47, 4-50, 5-64, 6-74, 7-83, 8-75.  
Bowling: Redfern 6-0-52-2; Taylor 7-1-50-0; Smithies 10-0-30-1; MacLeod 5-0-50-0; Lang 9-0-37-1; Reynolds 4-1-6-4.

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PORTING

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# Williams team acquitted of Senna's manslaughter

The burden of doubt has been lifted from the British grand prix outfit after a judge in Imola decided they were not responsible for the death of Ayrton Senna. Derick Alsop reports on a verdict which has also confirmed Italy's place in the Formula One calendar.

The judge took just 60 seconds to deliver his verdict at the end of a 10-month hearing. Frank Williams, team owner, Patrick Head, his technical director, Adrian Newey, the then team chief designer, and three racing officials were all found not guilty.

It is thought the prosecution will exercise its right of automatic appeal, which would prolong the legal process and uncertainty into 1999 and possibly beyond.

Motorsport's governing body, the FIA, warned that all its events in the country, including the grands prix of San Marino and Italy, could be cancelled if guilty verdicts had been handed down. Senna was killed in the 1994 San Marino Grand Prix, at Imola's Enzo e Dino Ferrari circuit. The prosecution claimed the steering column in the Brazilian's Williams-Renault broke because of faulty modification work. The defence contended that the column snapped when the car hit a concrete wall on the outside of the Tamborello curve after leaving the track at 190mph.

Williams was virtually guaranteed his acquittal after giving evidence to the court, two months ago, when he explained he had no direct input on technical matters. But the prosecution maintained to the end that Head and Newey, who has since joined the McLaren-Mercedes team, should be given one-year suspended sentences. There was never a suggestion any of the defendants would be sent to jail.

The judge decided there was insufficient evidence to convict any of the defendants. None of the Williams officials was present at the makeshift court yesterday, but the team, who won both constructors' and drivers' championships last season, issued a statement from their headquarters near Oxford.

It read: "Williams Grand Prix Engineering is pleased to confirm that Frank Williams, Patrick Head and Adrian Newey have been acquitted for all charges which were the subject of the Imola trial. Our legal advisers inform us that the prosecution has an automatic right of appeal. Clearly we would hope that this matter will not be pursued further."

"We firmly believe that this was the only appropriate outcome of the trial and now look forward to the 1998 season with confidence and enthusiasm."

Williams' lawyer, Peter Goodman, said at Imola that he expected the verdict. "I felt the evidence went very much in our favour and that a verdict of not guilty was the correct verdict. The prosecution's evidence was not consistent and I felt it could not have led to a guilty verdict."

He added: "Frank will be very pleased it is all over."

The judge has yet to give the reasoning behind his verdict and until he does so, the FIA's president, Max Mosley, a lawyer, is reluctant to comment, as a brief statement issued in Paris yesterday explained. The prospect of a lengthy appeal process gives the authorities further reason for caution.



Ride a crack horse: Dawn breaks in Cumbria yesterday as One Man, favourite for Boxing Day's big chase, is exercised by his trainer, Gordon Richards

Racing, page 25; Photograph: Julian Herbert/Allsport

## Sheffield wins vote as site of new academy

Sheffield was yesterday chosen from a shortlist of three as the venue for the new national sports academy. Mike Rowbottom reports.

The city of Sheffield will host the key elements of a new network of top-class sporting facilities aimed at producing world-beaters of the future.

The £60m United Kingdom Sports Institute will form a new base for eight key sports - athletics, swimming, netball, road cycling, squash, volleyball, judo and triathlon.

Sheffield beat off competition from two other consortiums competing for the honour, based around Nottingham and Upper Heyford in Oxfordshire, in the final round of a bidding process that began a year ago with 25 prospective hosts.

Up to £160m of National Lottery money will be made available by the Home Country Sports Councils to finance a new network of facilities which will make up the institute.

Up to £60m of that will go towards a site that hosted the World Student Games in 1991 and already contains major facilities such as the Don Valley stadium, the Sheffield Ice Arena and the Ponds Forge international pool.

"This is an historic moment for sport," Chris Smith, the Culture, Media and Sports Secretary said.

"It fires the starting gun for the next stage in a process which I believe will provide our very best sporting talent with the facilities and back-up to help them challenge and beat the rest of the world."

"It will provide the very best in sports science, medicine, nutrition and coaching expertise and will stimulate an exchange of training techniques across a range of disciplines."

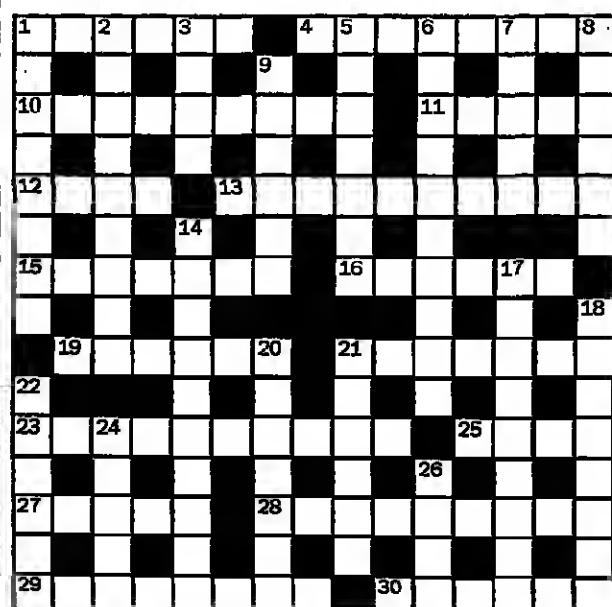
Sheffield's mission, page 26  
Elland Road expansion, page 20

## THE INDEPENDENT CROSSWORD

No. 3484, Wednesday 17 December

By Aquila

Tuesday's Solution



1. Find one in tarry mess? (6)  
2. Paying homage to Sabine disaster (8)  
3. Bar seven at table (9)  
4. Number of Scouts taking inadequate time to return (5)  
5. River analysis (4)  
6. Half of Monday in West End, jostling for gifts (10)  
7. Defining line of cricketer's first overseas trip (7)  
8. Manipulate displaced bone with force (6)  
9. Emaciated male agree to be re-shaped? (6)  
10. Making clear profit from regulation (7)  
11. Authoritative mood in school (10)  
12. Wild bear here on Welsh coast? (4)

13. Young officer once carried in cavalcade, triumphantly (5)  
14. Meet with expert? That can be fatal (9)  
15. Writer about to settle colour of elopement's boat (3-5)  
16. Show great respect for American patriot (6)  
17. Brits coo with excitement in such stiff dancing (8)  
18. Judgement on the way? (4-5)  
19. Suffer with stomach (4)  
20. Party thrown before tea-time in the PM, once (7)  
21. Cow mad? Tie it in, frantically (10)

22. Deck sailors after a party (5)  
23. Keyboard operator, with endless strain, is on short time (6)  
24. Standard headline (6)  
25. Two ringers out of tune in Berlin, for example (10)  
26. With arm through thick rope, that can be scaled (9)  
27. Cause pain to give age, perhaps, that is about right (8)  
28. Ravel finds medical specialist taking drink (7)  
29. Perfect apprentice, presumably (6)  
30. Sound of drinkers using this Roman chalice (6)  
31. One's home at university, one in NE Italy (5)  
32. Fare from France (British Rail, that is) (4)

## FOOTBALL

### Alan Hudson in 'critical' condition

The son of the former England midfielder Alan Hudson last night told how his family prayed for his life as the ex-professional footballer underwent emergency surgery.

The 46-year-old Hudson, who brought a special talent and style to Chelsea, Stoke City and Arsenal, was hit by a car while walking home in the East End of London on Monday night.

Hudson, who made his name in the Chelsea team which beat Real Madrid to win the European Cup-Winners' Cup in 1971, had earlier attended the Sports Writers' Association's annual awards at a hotel in Kensington.

He was said to be in a "critical" condition after undergoing a 14-hour operation at the Royal London Hospital for internal and head injuries.

His son, Alan Jnr, said that the family had been told to prepare for the worst, but now the signs were more hopeful.

"I had a phone-call at one this morning and have been at the hospital since," he said. "At five or six o'clock this morning we were told it didn't look like he was going to pull through."

"Me and my family sat in the chapel praying and he's turned it around somehow. They have stabilised the bleeding and got rid of a blood clot in the brain."

## CRICKET

### Warne caught out by wide delivery from reporter

Shane Warne stalked angrily out of the gathering, Warne stepped down from the podium after spending only a minute before the cameras and stormed from the room.

Warne's weight was a favourite target for chanting sections of English supporters during Australia's Ashes tour earlier this year and recently there has been comment about a noticeable expansion of his waistline and face. Some have speculated that he is as much as a stone overweight.

Even the touring South African cricketers have noticed, targeting him for on-field sledging and Geoff Marsh, the Australia coach, said last weekend he was concerned about Warne's weight and had asked the bowler to monitor his diet.

Even so, Warne was in good spirits when he arrived for the function and applied his trademark zinc cream to the lips and nose of the wax dummy. He then invited the media to "feel free to ask any questions".

When one reporter took him at his word, Warne took offence and left. He will need to develop a thicker skin, like Australia's Test captain Mark Taylor, who had to learn to be more resilient about his weight, having been given the nickname "Tubby" early in his career.

Holloake's men, page 26



Shane Warne (left) comes face to face with his wax effigy

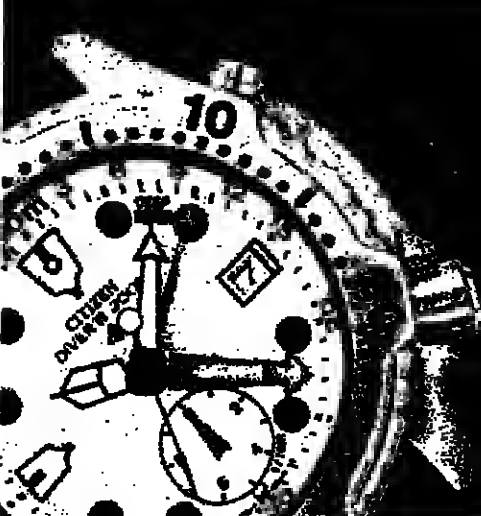
Photograph: AP

Published by Newspaper Publishing PLC, 1 Canada Square, Canary Wharf, London E14 5DL, and printed at Mirror Colour Print, St Albans Road, Watford

Back issues available from Historic Newspapers, 01938 840370.

Wednesday 17 December 1997

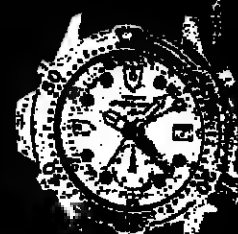
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